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78.

FREE TRADE

versus

FAIR TRADE.

BY

T. H. FARRER.

CASSELL, PETTER, GALPIN & CO.:
LONDON, PARIS & NEW YORK.

1882.

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PREFACE.

FOR the following pages I am alone responsible. They contain an attempt to illustrate established truths, and to expose exploded though not obsolete fallacies; but they trench so closely on the politics of the day that I should have scarcely felt justified in writing them for publication without the encouragement of the President of the Board of Trade.

For the Tables appended I am indebted to Mr. E. J. Pearson and Mr. G. H. Simmonds, of the Statistical Department of the Board of Trade. They will be found to contain useful and interesting information, whatever may be thought of the inferences I have drawn from them. Those who have had much to do with statistics will know how difficult it is to use them properly, and how easy and how mischievous it is to use them carelessly and improperly.

T. H. FARRER.

Board of Trade,
December, 1881.

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FREE TRADE *v.* FAIR TRADE.

Preliminary.

CHAPTER I.

DIFFICULTY OF KNOWING WHAT TO ANSWER.

WHEN I was asked by the president of the Cobden Club to write something in defence of Free Trade, it seemed to me—recollecting as I did the instruction in politics which I had received from the Corn Law Controversy—as if I had been asked to prove Euclid, or give a reason for the rules of Grammar. That governments can by protective or prohibitory duties prevent and diminish, but cannot create or increase trade; that every tax on trade is a diminution of the produce of industry, felt most certainly and probably most severely by the country which imposes it; that it is just as unwise and unrighteous to prevent the number of men who make up a nation from buying their food and their clothes where they can get them best and cheapest as it would be to compel me to buy my bread from the nearest farmer or my coat from the nearest tailor; that a law which prevents the people of England from buying in France or America is in no essential respect different from a law which prevents the people of Middlesex from buying in Surrey or Lancashire; that every innocent operation of trade is necessarily an advantage to both parties concerned in it, and that to stop it by law is necessarily an evil to both;—all these, with the numerous consequences derived from them, appeared to me to be such elementary truths that I did not know where to begin.

Recognis Principle

Nor did I find much help when I looked into the public speeches and articles of Protectionists, Fair Traders, and Reciprocitarians. Loud assertions that the British workman is disgusted with Free Trade, and a convert to Protection;

Vaguene of attack on these Principl

appeals to the prejudices and self-interest of special classes; allegations of national ruin, which every one knows to be false; misstatements of historical facts which have happened within my own recollection; suggestions of the superior wisdom of Prince Bismarck or M. Thiers; imaginations of the grand imperial policy which Mr. Pitt or Mr. Huskisson would have followed had they been in the place of Sir R. Peel and Mr. Cobden; attacks on Cosmopolitanism and praise of Imperialism; denunciations of political economy, in which the ignorance of the writers was as conspicuous as the violence of their language; and general philippics against Radicals, Philosophers, and members of the Cobden Club;—in all this I could find little to answer, though much to grieve at.

Allegations of National decay.

As to evidence of facts, I could find little or none. Appeals indeed there have been—*e.g.*, in the October number of the *Quarterly*—from the general experience which is conveyed by the National statistics, to special cases founded on the one-sided observations of a single prejudiced observer.

To such evidence I might oppose the statement that I too have spent my holiday in visiting various parts of England; that I have seen business everywhere active, if not everywhere as profitable as it has at some times been; shipping on the increase and fully employed; magnificent docks, harbours and factories, where, within my own recollection, there were only muddy creeks; streets of palaces, where I remember hovels; coasts, a few years since solitary, or inhabited only by a few fishermen, now lined with watering-places, and alive with crowds from inland towns—crowds of the middle and lower classes, who, by the increase of their own incomes and by the development of railways and of steamers, are enabled to enjoy comforts and luxuries formerly confined to the richer classes;—all this, and more, I and most of us have seen, and might with confidence oppose to the individual cases of alleged depression and suffering on which the *Quarterly* reviewer relies. But it so happens that I am able to test one or two of his statements, and can from these form some opinion of the value of the rest.

Coventry.

Coventry is, of course, one of his test cases. The depression of the Coventry ribbon trade, under the influence of French and Swiss competition, is with him, as it has been with others of his stamp for years, a favourite grievance. No doubt that whilst Coventry is prospering with other businesses, the ribbon trade is a weak trade, and has suffered, and is likely to suffer,

unless the Coventry weavers can meet the tastes of our ladies as skilfully and well as their competitors at Basle and Lyons. But the reviewer has chosen an unfortunate moment to parade the grievance of the Coventry operatives, for it is a fact that the Coventry manufacturers have recently applied to the Home Secretary for leave to extend the hours of labour to which they are limited under the Factory Acts, on the ground that the labour at their disposal would not, without such extension of time, enable them to get through their orders. A Government Inspector was sent down to inquire into the facts; he confirmed the representations of the manufacturers, and the time has been extended.

Birmingham.

Again, the reviewer selects Birmingham as a special instance of suffering, discontent, and decay. He alleges that the artisans complain that their houses are pulled down, and that they are driven to live at a distance from their work. They are doing nothing of the kind. Very few, probably not more than twenty, of their houses have been pulled down, and many of their houses have been much improved. The banks in Birmingham have not, as the reviewer says, been making smaller, but larger, profits in the last seven years. The Birmingham Small Arms Company, who supply Government only, owe their bad trade to the competition of Enfield. I might go on to other statements of his with similar results. But the great and convincing proof of Birmingham's decay is what the reviewer alleges to be the enormous number of unlet houses; this is his strongest point, and he recurs to it again and again. Now what are the facts? In the year 1871, the population of Birmingham was 343,000, and it is now 400,000. In the year 1871, the number of empty houses was 5,884; since then 16,626 houses have been built, of which 12,226 have been built in the last seven years; and in 1881 there are only 6,958 empty houses. Such is the value of the reviewer's principal proof of the decay of Birmingham, when brought to the test of certain and specific facts; and from it we may judge of the value of all the other alleged facts which he parades as instances of depression and decay at Birmingham and elsewhere.

Demoralisation of Manufacture by Foreign Competition.

Let me take another favourite allegation of the Protectionists—it is made by Mr. Farrer Ecroyd as well as by the reviewer—to the effect that "it is the race for cheapness caused by foreign competition which has demoralised so many of our own industries, and brought English goods into disrepute in once valuable markets." I need scarcely say that proof of

facts to substantiate this charge are, as usual, wholly wanting. Nor will I pause to ask whether the evil, if it exists, is to be remedied by making English goods dear, which would be the inevitable effect of Protection here, as it is now the effect of Protection in Germany; but I will quote a passage I have just come across in a letter from Josiah Wedgwood, dated 21st April, 1771, more than a hundred years ago:—

"The potters seem sensible of their situation, and are quite in a panic for their trade, and indeed with great reason, for low prices must beget a low quality in the manufacture, which will beget contempt, which will beget neglect and disuse, and there is an end of the trade. But if any one warehouse distinguished from the rest will continue to keep up the quality of the manufacture, or improve it, that house may perhaps keep up its prices, and the general evil will work a particular good, and they may continue to sell ware at the usual prices when the rest of the trade can scarcely give it away."

We may see from this that the apprehension of competition begetting cheapness, of cheapness begetting badness, and badness destruction of our trade, is not confined to the present generation, and existed when there was no foreign competition and abundant protection. We may also see what the clear-headed, stout-hearted Josiah Wedgwood thought to be the true way of meeting such competition; and we may judge from the subsequent history of the potteries what the ultimate effects of his mode of meeting it have been—results wider, probably, than he ever contemplated.

Reaction against Free Trade principles.

But since the time of the Corn Law controversy there has no doubt arisen a new generation, to whom much that was burnt into the minds of their fathers by a mortal struggle has become merely an accepted tradition. There have been downs as well as ups in trade, and these have—not without fault on the part of Free Trade advocates—been attributed to our Free Trade policy. There has been a wave of National, as opposed to Cosmopolitan, sentiment passing over the world; which, if it has produced its good effects in the consolidation of a Free American Union, and in the unification of Italy and Germany (effects, it must be remembered, odious to many of our own Imperialists); has also produced its bad effects in the Franco-German war, in the Pan-Slavonic movement against Turkey, in the tide of Imperialism which swept over ourselves, in the French troubles in Africa, in the adoption of American protec-

tive policy by the United States, and in the partial relapse into a similar policy evinced by some of the nations of Europe and by some of our own colonies.

Pious Opinion

It is not amiss, under such circumstances, that we should be reminded that there is no such thing in politics as an "infallible dogma;" that every one has a right to a "pious opinion;" that a great political party and its leaders have a perfect right to advocate Retaliation or Reciprocity or Fair Trade, or whatever other name or form a reversal of our existing policy may assume; and that that policy cannot exist, and ought not to exist, unless it is able to justify itself.

Questio deservin an Answ

There are, moreover, certain questions emerging out of the chaos of wild assertions, to which sensible and disinterested people, even though they may be resolute Free Traders, may justly require an answer, and which, perhaps, have not been as completely answered as they ought to be; such, for instance, as the following, viz. :—

How is it that a period of excessive export, such as 1870–1875, is a period of undoubted prosperity; whilst a period of excessive import, like the late five years, has been a period of comparative depression?

If the French Treaty was right, and was followed by enormous increase of trade, is it not right to put ourselves in a position to make similar bargains by putting on duties which we can afterwards take off?

How is it that the trade of Protectionist or half-Protectionist nations, such as America and France, have advanced as quickly as or more quickly than that of Free Trade England?

Does not the present attitude of the world towards Free Trade prove that the anticipations, and consequently the reasoning, of the Free Traders was wrong?

Can we do anything to promote Trade with our Colonies?

Questions such as these, taken by themselves, form detached parts of a great subject, and do not afford a satisfactory opportunity of dealing with the merits of Free Trade or of the objections which have been made to it. I was, therefore, very glad when an association was formed, comprising most of the persons who have been putting forward such objections, and when that association placed before the world a programme in which its authors not only professed to state in short terms their reasons for departing from Free Trade, but placed before the world an outline of the new policy which they would have us

Programme of Fair Trade League.

substitute for the commercial policy of the last 40 years. Such a programme, however worthless in itself, affords a definite subject for discussion, in the course of which we have the great advantage of considering not only whether our present policy is absolutely good, a question which in this incomplete world it is seldom possible to answer with perfect satisfaction, but whether it is, or is not, better than other possible policies. I propose, then, first to state the effect of the programme of the Fair Trade League; to point out shortly the assumptions on which their proposal for a change of policy is founded; to show the groundlessness of those assumptions; and then to criticise at some greater length the two main propositions contained in their programme. In doing this, we shall have the opportunity of treating the incidental questions which I have mentioned above.

CHAPTER II.

PROPOSALS OF THE FAIR TRADE LEAGUE.

Fair Trade proposals.

THE programme of the Fair Trade League is not definite in its particulars, but its principal features are as follows:—

1. Raw materials of manufacture to be admitted free.
2. Food to be taxed when coming from foreign countries; to be admitted free when coming from our colonies and possessions. This taxation to be maintained for a considerable term, in order to give the colonies time to develop their products.
3. Tea, coffee, fruit, tobacco, wine, and spirits to be taxed 10 per cent. higher when coming from foreign countries than from our own colonies. It is not clear whether it is intended that they or some of them are to be free from taxation altogether, when coming from the colonies.
4. Import duties to be levied upon the manufactures of foreign countries which now impose prohibitory or protective duties on our manufactures; such duties are to be removed in the case of any nation which will agree to take our manufactures duty free.

Before dealing with this as a practical proposal, several questions would have to be asked and answered, *e.g.*, Their vaguene

1. What is meant by raw materials, and what is meant by manufactures, and what is the economical distinction between the two? This is a question which has not always received the attention it deserves, even at the hands of economists.
2. What would be the effect on the revenue of the practical abolition of the duties on tea, and coffee, and fruit? As a measure of economical and social reform, it would, of course, if the revenue admits of it, be welcome to every Free Trader.
3. Is it intended that food shall be admitted free from all our colonies, even where they levy protective or prohibitory duties on the produce and manufactures of the United Kingdom? And if not, is there to be a tariff bargain in each case?
4. Are the manufactures of the colonies to be admitted free, even where they place a protective or prohibitive duty on the manufactures of the United Kingdom?

These questions raise serious questions of principle and practice, the discussion of which might prove awkward to the Fair Traders, and which are, probably from this reason, purposely left obscure. But there is sufficient intimation of two general principles, viz. :— Two gr Principl

First, that we should depart from our present principle of neutrality, and that our Trade with our own colonies and possessions should be artificially encouraged by means of an artificial discouragement of our Foreign Trade. Encour ment of Colonial Trade.

Secondly, that we should place retaliatory duties on the manufactures of all countries which place duties on our manufactures. Retaliat on Foreign

These principles I propose to discuss in the present paper.

There is one preliminary difficulty: The advocates of this new policy, like the other writers and speakers to whom I have referred above, instead of prefacing and supporting their proposals for so great a change by an appeal to evidence which it might be possible to sift, content themselves with general assumptions, which may be denied by those who disbelieve them, but which it is difficult to disprove without a wearisome array of facts and figures. Thus it is assumed that our industries are permanently depressed and decaying; that the Assump tions of Nationa decay.

ese Assumptions swered eady.

excess of imports above exports is a sign of this decay; that the French Treaty has been a failure; and that we are losing our position as manufacturers in the markets of the world. These assumptions have been dealt with already in the speeches of Mr. Gladstone, Mr. Chamberlain, Mr. Cross, and Mr. Slagg; in Mr. Whittaker's article in the October number of the *Nineteenth Century;* in many articles of the *Times*, in the *Statist*, *Economist*, and other newspapers, and have been conclusively disproved.

It has also been shown that, taking all the usual tests of national prosperity—the returns of trade, of shipping, of the income tax, of banking, of pauperism, of crime, of the general consumption of articles of food and luxury—the progress of the country as a whole is, beyond doubt, great and continuous, and that any recent depressions and fluctuations are such as have taken place at all times, and as can be easily explained by special causes, to some of which I shall have to recur below. No answer has been given to these figures, except such reference to the well-known depressions in certain businesses, and such appeals from the general experience they contain to the particular evidence of special observers in particular cases, as I have sufficiently referred to already.

It would, therefore, be superfluous to enter upon any general examination of the state of the country, and we may proceed at once to examine on their merits the two leading principles of the Fair Traders, viz., a new Colonial Policy, and Retaliation upon Foreign Nations. In doing so I shall have occasion to touch again on some of the above topics. In discussing these principles, I shall not confine myself to the actual proposals of the Fair Trade League, but shall endeavour to see whether the principles they advocate, which are not devoid of a certain superficial plausibility, are capable of any practical application, even though that application is not contained in the Fair Trade programme.

Part I.

NEW COLONIAL POLICY.

CHAPTER III.

GENERAL OBSERVATIONS.

THE Fair Trade League propose their new policy not only as a measure of economical reform, by which, as they say, Freedom of Trade would be in substance promoted, and our production and wealth increased, but as a "Great national policy which, while stimulating trade at home and promoting the prosperity of all classes, would bind together more closely by the ties of a common interest, the mother-country and her scattered populations, strengthening the foundations and consolidating the power and greatness of the empire."

A great National policy.

To some of us these words may appear not a little suspicious. They are not ill calculated to attract those who think that the glory of England consists in the extent of territory subject to her imperial sway, in domination over subject peoples, in superiority of strength, and in her power to inspire fear in the other nations of the world. But they are capable of a more innocent construction; they may mean only that whilst free and peaceful intercourse is to be desired amongst all mankind, it is especially to be desired and promoted amongst those who have sprung from the same origin, who have the same history, who speak the same language, whose lives are ordered by the same laws and customs, and who are subject to the same form of government. If this is their true meaning, it is not for the Cobden Club, whose motto is "Free Trade, peace, good-will amongst nations," to object to such a policy, nor would I say one word against it. To improve and render more cordial the relations between the United Kingdom and our great English-speaking and self-governing colonies would, indeed, be

Imperialism.

Suspicious Character of this Policy.

a labour worthy of a statesman. But the British Empire is made up of very different elements. To deal with Canada or Australia, on the one hand, and with India or Ceylon on the other, as united with us by the same relation, and capable of being dealt with in the same manner, is to confound things which are really distinct. Even in our purely commercial relations with these different countries, there are, as will be seen below, great differences; and in all the political relations by and through which the proposed new commercial policy is to be carried out, the differences are still greater. There is, therefore, great reason to view with suspicion any plan which proposes to apply one and the same policy, and that an entirely new and experimental policy, to all these different communities, and it is, at any rate, necessary to subject it to the strictest examination. If, upon such examination, it can be shown that the policy in question is founded on a misapprehension of existing facts, that its economical consequences to the colonists and to the mother country will not only not be what its advocates anticipate, but will be injurious to them both, and that, so far from strengthening the friendly relations of the colonies to the mother country, such a policy is calculated to cause ill-will and to precipitate disruption, then we may, without hesitation, discard this latest product of Protection and Imperialism, as we have discarded other follies of the kind.

CHAPTER IV.

ASSUMPTION THAT OUR COLONIAL TRADE IS MORE STEADILY INCREASING AND LESS FLUCTUATING THAN OUR TRADE WITH FOREIGN COUNTRIES.

Superior Growth and steadiness of Colonial Trade assumed.

At the bottom of the new Colonial policy lie two assumptions, which, though stated with the vagueness which characterises all the Fair Trade arguments, are no doubt to be implied from their programme. These are, first, that whilst our profitable trade with foreign countries is both unsteady and declining, our profitable trade with our own colonies is steadily increas-

ing; and, secondly, that our own colonies are more and more ready and willing to receive our goods, whilst foreign nations are more and more disposed to reject them.

I propose to deal with these two assumptions successively, and shall be able to show that neither of them can be accepted as true. Those who are satisfied already that these assumptions are unfounded; that our trade with foreign countries is as valuable to us as our trade with our colonies, and that the trade of all countries is so bound up together that to limit one branch is to limit others also, may pass over the long array of facts and figures contained in this and the two following chapters, and go on to Chapter VII.

Allegatic of superi Growth Colonial Trade.

Let us see what the Fair Trade League say in favour of the first of these assumptions. They give, in this programme, as the chief reason for the proposal to tax foreign food, and admit colonial food free, that it will "transfer the great food-growing industries we employ from Protective foreign nations, who refuse to give us their custom in return, to our own colonies and dependencies, where our goods will be taken, if not duty free, yet subject only to revenue duties almost unavoidable in newly-settled countries, and probably not equal to one-third of the Protective duties levied by the United States, Spain, Russia, &c.;" and to this is appended the following amazing note:—"Even at the present time every quarter of wheat imported from Australia affords us in return sixteen times as much trade and employment as a quarter of wheat imported from the United States, and every quarter of wheat imported from Canada thirty-five times as much as one imported from Russia"!!

Mr. Farrer Ecroyd, again, who, in his article in the October number of the *Nineteenth Century*, has made himself the expositor of the Fair Trade programme, says:—"Had it (viz., the £30,000,000 of produce which he assumes to have been lost by our bad harvests) been purchased from our own colonists, the money would have come round again, and have given employment to all our industries, as an immensely-increased export of our manufactures would have paid the bill;" and again—"Our experience teaches us that in buying food from our colonies, we enjoy a return trade in our manufactures at least twenty times larger per head than with the Americans and Russians;" and again—"Assuming that we shall purchase food produced in our own dominions as cheaply

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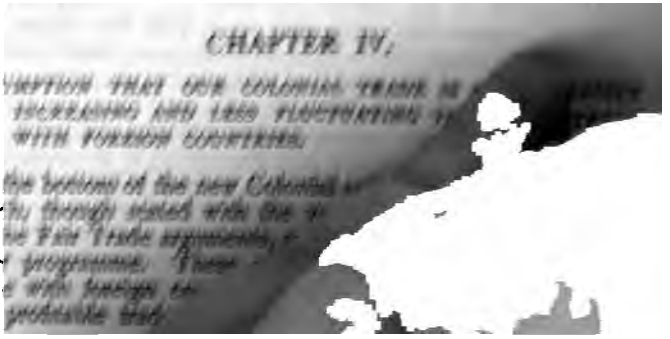

CHAPTER IV.

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as it now is purchased in the United States or in Russia, experience assures us that we shall obtain in exchange for the purchase of it a dozen or twenty times more employment for home industries than we now do."

Fair Trade evidence that Colonial Trade is more valuable than Foreign Trade.

It is really difficult to get at what is in the brains of men who make such statements. It would seem that they think that the simple export of British goods without payment is *per se* a good to this country; that Australia gets (say) sixteen or twenty times as much of our manufactures in payment for a quarter of wheat as Russia or the United States get; and that, therefore, it is of the utmost importance to us to transfer our custom from Russia and the United States, to whom we pay so little, to Australia, to whom we pay so much. But it is the facts, not the reasoning, of these passages with which I have now to do. Mr. Farrer Ecroyd continues:—"In connection with this subject, let anyone carefully study not only the very large value of British manufactures purchased annually per head by the inhabitants of our colonies as compared with the Americans, but also the remarkable steadiness of the colonial demand as compared with the violent fluctuations in that of the United States. And, further, let him examine the expansion during the past twenty-five years of the outlet for our manufactures in India and our colonies, compared with the stunted growth, or positive decline, of the trade to foreign high-tariff markets. He will then be able to form some idea of the demand upon our industries that would accompany the gradual transference to India and the colonies of the growing of fifty million pounds' worth of food, now annually imported from the United States and Russia; and, bearing in mind that the economic gain from that increase of employment, however great, would probably be of far less value than the moral and social results of its superior steadiness, he will begin to appreciate more fully the importance of this great question to our labouring population."

It is difficult to subject statements so vague as this to any satisfactory test; but the impression which they convey concerning the facts of the colonial trade is shared by many persons who are not members of the Fair Trade League, and there is some evidence which may be fairly quoted in favour of it. There is, especially, one passage much quoted and relied on, which is both specific and accurate, and which, therefore, it is worth while to give at length. It is

from the last official report of the Board of Customs,* and is as follows :—

EXPORTS.

Produce and Manufactures of the United Kingdom.

"The value of the produce and manufactures of the United Kingdom exported to foreign countries and British possessions in the year 1880 was as follows, namely :— Custom Report 1881.

	£
Foreign Countries	147,806,267
British Possessions	75,254,179
Total	223,060,446

showing an increase of £31,528,688 upon the value of similar exports in the year 1879, or 16½ per cent., and by assigning to each of those divisions its proportion of the increase, we find that the value of the goods exported to foreign countries exceeded that of 1879 by £17,276,620, or 13¼ per cent., and that the value of goods sent to our colonies and dependencies was greater by £14,252,068, or 23⅓ per cent., than in 1879.

"The following table shows the percentage of difference in a series of ten years between the value of the export trade in goods of home manufacture to foreign countries and British possessions respectively, on a comparison of the figures of a given year, with those of the year preceding, namely :—

Year.	Total Value of Exports.	Value of Exports to Foreign Countries.	Value of Exports to British Possessions.	Proportion of Foreign Countries to Total.	Proportion of British Possessions to Total.
	£	£	£	Per Cent.	Per Cent.
1871	223,066,162	171,815,949	51,250,213	77·0	23·0
1872	256,257,347	195,701,350	60,555,997	76·4	23·6
1873	255,164,603	188,836,132	66,328,471	74·0	26·0
1874	239,558,121	167,278,029	72,280,092	69·8	30·2
1875	223,465,963	152,373,800	71,092,163	68·2	31·8
1876	200,639,204	135,779,980	64,859,224	67·7	32·3
1877	198,893,065	128,969,715	69,923,350	64·8	35·2
1878	192,848,914	126,611,428	66,237,486	65·7	34·3
1879	191,531,758	130,529,647	61,002,111	68·2	31·8
1880	223,060,446	147,806,267	75,254,179	66·3	33·7

Taking the extreme limits embraced by the table, we find that

* Parliamentary Paper, No. 2953, 1881, p. 19.

is of in 1871, when the total export value was almost identical with that of 1880, the proportion of the goods that found their way to our colonies was represented in value by £51,250,213, or 23 per cent. of the total sum of £223,066,162, whilst in 1880 the proportion was £75,254,179, out of a total of £223,060,446, or 33·7 per cent.

"*Exports to British Colonies.*"

"We give below a list of the principal articles, with their values, that make up the aggregate of our trade with the colonies, with the view of showing in what respect the increase of 24 millions, which has accrued in the same period of ten years, is chiefly exhibited."

Articles.	Value in the Year 1871.	Value in the Year 1880.	Increase in 1880 as compared with 1871.
	£	£	£
Apparel and slops	1,538,370	2,675,766	1,137,396
Arms, ammunition, and military stores	356,845	565,904	209,059
Beer and ale	1,195,663	1,209,733	14,070
Coals, cinders, and patent fuel	881,418	1,224,315	342,897
Copper, unwrought and wrought	817,063	1,206,888	389,825
Cotton yarn	2,258,368	3,789,685	1,531,317
Cotton manufactures	19,166,944	27,349,975	8,183,031
Iron and steel, unwrought and wrought	4,591,917	8,222,146	3,630,229
Leather, unwrought and wrought	1,133,988	1,362,581	228,593
Machinery and mill work	999,401	2,065,995	1,066,594
Paper of all kinds	486,084	959,378	473,294
Silk manufactures	320,787	878,089	557,302
Woollen manufactures	3,172,110	4,414,763	1,242,653
Other articles	14,331,255	19,328,961	4,997,706
Total	51,250,213	75,254,179	24,003,966

"The above-mentioned twenty-four millions represent an increase of nearly 47 per cent. in ten years in regard to our trade with the colonies, but, on the other hand, the value of our trade with foreign countries has decreased in the same period from £171,815,949 to £147,806,267, or 14 per cent., the total export trade for 1871 and 1880 being, as we have said, almost identical in amount, although showing such wide differences when classified under 'Foreign Countries' and 'British Possessions' respectively."

Now, this passage is, as I have said, perfectly accurate; the misfortune is that it does not give a complete account of the case; that it is capable of being misused, and has been misused accordingly.

Customs Statement Accurate but Incomplete.

In the first place, ten years is far too short a time by which to measure the progress and value of different branches of trade.

In the second place, this table only professes to give the exports of British produce from the United Kingdom; it does not give the imports, and without this it is useless as an index to the comparative values of the foreign and colonial trades, except, indeed, in the opinion of those who think that the value of our trade depends solely on what we give, and not also on what we get.

In the third place, by lumping all foreign countries on the one side, and all the different British possessions on the other, an impression is produced that there is some general law governing each class, which produces results differing for the two classes, but identical for all the cases within each class; and this impression is made use of with great effect by those who contend that the whole object of Trade is to export, and that, since the colonies take more exports than foreign countries, it is our business to encourage the one at the expense of the other. I have already pointed out how different are the circumstances of the different parts of the British Empire, and how much our relations to our self-governing colonies differ from our relations to India. Now, it is not a little remarkable that if we analyse the above comparison of 1880 with 1871 we shall find that the greatest increase in exports to the colonies, on which the Customs report lays stress, is due to India. Our exports of British produce to India were—

In 1871 . .	£18,053,478,	or	8·1 per cent. of the total.
„ 1880 . .	30,451,314,	or	13·7 „ „

The exports to the Australian Colonies were:—

In 1871 . .	£10,051,982,	or	4·5 per cent. of the total.
„ 1880 . .	16,930,935,	or	7·6 „ „

The exports to British North America were:—

In 1871 . .	£8,257,126,	or	3·7 per cent. of the total.
„ 1880 . .	7,708,870,	or	3·5 „ „

Further, in 1880 the exports to British India were £9,000,000 more than in 1879, thus accounting for three-fifths of the increased colonial export for that year; so that, whilst the

exports to India and to Australia have very largely increased in the decade, those to British North America have diminished.

Similar differences might be pointed out in the exports to foreign countries. When investigated, they are often very instructive, as I hope to show below. I mention this now only to prove, even within the narrow limits of the Customs table, how fallacious it is to draw from figures of this description any such general results as Mr. Ecroyd and the Fair Traders have done.

It is difficult to give, except in figures so long and minute as to be unreadable, any general view of the comparative results of our trade with the different countries of the world, but I will try to do so as briefly as I can, relegating the more cumbrous tables to an Appendix.

Exports to Colonies and Foreign Countries since 1840.

First, assuming the position held by the Fair Traders, that what we give, and not what we get, is the standard by which to judge of the profits of trade, let us see what our exports of British produce have been since 1840.

Statement showing the Total Exports of British and Irish Produce from the United Kingdom to the undermentioned Countries in each of the Years 1840, 1860, 1872, *and* 1880.

	1840.	1860.	1872.	1880.
	£	£	£	£
To Colonies . .	11,886,167	26,699,543	42,084,603	44,802,865
,, British India .	5,212,839	16,965,292	18,471,394	30,451,314
,, Europe :				
Russia . .	1,602,742	3,269,079	6,609,224	7,952,226
Germany . .	5,579,669	13,491,513	31,618,749	16,943,700
Holland . .	3,416,190	6,114,862	16,211,775	9,246,682
Belgium . .	880,286	1,610,144	6,499,062	5,796,024
France . .	2,378,149	5,249,980	17,268,839	15,594,499
Spain . . .	404,252	2,471,447	3,614,448	3,222,022
Italy . . .	2,162,931	4,514,287	6,557,538	5,432,908
Turkey . .	1,387,416*	5,064,233	7,639,143	6,765,966
Ot. Countries in Europe .	2,006,555	4,984,956	10,987,309	9,727,887
United States of America .	5,283,020	21,667,065	40,736,597	30,855,871
Total . .	25,101,210	68,437,566	147,742,684	111,537,785
,, Othr. Countries	9,108,524	23,788,826	47,958,666	36,268,482
Total Foreign	34,209,734	92,226,392	195,701,350	147,806,267
Total . .	51,308,740	135,891,227	256,257,347	223,060,446

* Including Greece, Wallachia, and Moldavia in 1840.

Putting these figures in the form of percentages, they are as follows :—

	To Colonies.	To India.	To Foreign Countries.	
1840 . .	23 ..	10 ..	67 ..	100
1860 . .	19½ ..	12½ ..	68 ..	100
1872 . .	16½ ..	7 ..	76½ ..	100
1880 . .	20 ..	13½ ..	66½ ..	100

There is here no symptom of any permanent increase in the percentage of the colonial exports, but rather the reverse. The percentage of the foreign exports, which rose rapidly with the loans and inflation of 1872, has otherwise remained steady, and there have been great fluctuations in the percentage of the Indian trade. There is certainly nothing in these figures to lead one to suppose that we should sacrifice the trade with foreign countries in order to nurse the colonial trade.

But no view of trade is complete which deals with exports alone, nor is a comparison of one single year at one period with another single year at another sufficient to show the general course of trade. I have therefore annexed to this paper* four tables, showing for each of the last twenty-five years the amount and proportions of our trade with foreign countries and with our own colonies and possessions respectively. The first of these tables gives the exports of produce of the United Kingdom; the second gives the total exports, including re-exports of foreign and colonial produce; the third gives the total imports; and the fourth gives the total of the imports and exports. For each year is given the percentage of the foreign and colonial trades respectively. From these tables it is clear that whether we take, as the Fair Traders do, the exports of British produce only, or the total exports, or the total imports, or, which is the fairest test, the whole of the trade exports and imports together, there is not the least ground for the assertion that the whole of our trade with our own possessions has grown faster than our trade with foreign nations, or that it is subject to fewer fluctuations. Taking the exports of the produce of the United Kingdom, the exports to the colonies were 33 millions in 1856, rose to nearly 54 millions in 1866, sank to 48 millions in 1869, rose to 72 millions in 1874, and fell to 61 millions in 1879. Of the imports, the colonial

Trade w Colonie and Foreign Countri in each the last 25 years

* See Tables I., II., III., and IV., in Appendix.

share is smaller, but equally fluctuating. It was 43 millions in 1856, 38 millions in 1858, 93 millions in 1864, since which time it has on the whole declined, being as low as 73 millions in 1871, and 78 millions in 1878, rising again to 92 millions in 1880. Taking the whole of the trade of the United Kingdom—imports and exports together—which is by far the fairest test, the colonial share of the trade was 80 millions in 1856, 149 millions in 1864, 114 millions in 1867, 165 millions in 1877, 145 millions in 1879, and 174 millions in 1880. If we turn to the tables, we shall see that these fluctuations are as great as those which have taken place in the trade with foreign countries. The proportion which our colonial trade bears to our whole trade has varied between 31·3 per cent., at which it stood in 1863, to 20·9 per cent., at which it stood in 1871; it stood at 25·6 per cent. in 1856, and stands at 24·9 per cent. now. It has kept pace with our foreign trade, and forms about a quarter of it. But it fluctuates as much as our foreign trade, and forms no larger a proportion of it now than it did fifteen years ago.

But even these figures, whilst amply sufficient to show that there is no ground whatever for supposing that our foreign trade, as a whole, is either more precarious or less profitable than our colonial trade, lump all foreign countries and all colonies together, and fail to show how different has been the course of trade with different colonies and different countries, and how fallacious it is to include in one and the same class either the one or the other. I have therefore added to the Appendix some tables,* showing what has been the course of trade with each foreign country and with each colony or group of colonies for the last fifteen years, giving for each country and for each year the exports and imports separately, and the percentage which they constitute of the aggregate imports and exports. I have also added a table† giving a summary of the whole, showing, in the form of percentages, what has been the proportion which our trade with each country and each colony in each year, and in each period of five years, has borne to our whole trade.

Trade with each Foreign Country and each Colony for each of last 15 years.

The following summary shows at a glance what proportion of our whole trade has been carried on with each foreign

* See Tables V. and VI., in Appendix.
† See Table VII., in Appendix.

country and each colony for each of the three last periods of five years.

FOREIGN COUNTRIES.

Statement of the proportion Per Cent. of our whole Foreign Trade carried on with each Foreign Country.

	Russia	Germany	Holland	Belgium	France	Italy	Turkey	Egypt
	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.
5 Years ending 1870.	5·3	9·0	5·4	3·2	11·2	1·9	2·6	4·5
5 Years ending 1875.	5·0	8·8	5·5	4·1	10·8	1·8	2·1	2·9
5 Years ending 1880.	4·2	8·2	5·8	3·8	10·9	1·6	1·9	1·9
Average for whole Period.	4·8	8·6	5·6	3·8	11·0	1·8	2·2	3·0

FOREIGN COUNTRIES (*continued*).

	United States	Brazil	Chili	Peru	China	Japan	Other C'ntries	Total
	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.
5 Years ending 1870.	13·7	2·5	1·2	1·0	3·0	0·3	12·2	77·0
5 Years ending 1875.	15·5	2·3	1·1	1·1	2·8	0·4	13·1	77·3
5 Years ending 1880.	17·6	1·8	0·8	0·8	2·8	0·5	12·8	75·4
Average for whole Period.	15 7	2·2	1·0	1·0	2·8	0·4	12·6	76·5

COLONIES AND BRITISH POSSESSIONS.

Statement of the proportion Per Cent. of our whole Foreign Trade carried on with each Colony.

	British North America	British West Indies	Australian Colonies	India	South Africa	Other British Possessions	Total
	Pr. Ct.	Pr. Ct.	Per Cent.	Pr. Ct.	Pr. Ct.	Per Cent.	Per Cent.
5 Years ending 1870.	2·7	1·7	4·8	9·7	0·9	3·2	23·0
5 Years ending 1875.	3·1	1·5	5·3	8·1	1·2	3·5	22·7
5 Years ending 1880.	2·9	1·5	6·6	8·5	1·6	3·5	24·6
Average for whole Period.	2·9	1·6	5·6	8·7	1·3	3·4	23·5

Exports to each Foreign Country and each Colony for 15 years.

In order that I may not appear to overlook the facts relied on by the Fair Traders, I give the following summary, in a similar form, of the course of our export trade to each country. The following percentages are the percentages of the total exports, including re-exports of foreign and colonial produce. But the percentages are much the same as they would be if the exports of the produce of the United Kingdom alone were included, and in the tables appended the figures for both kinds of export are given fully. But, whilst I give these figures in deference to the weaknesses of the Fair Traders, I protest against the notion that exports are more important than imports, and also against the notion that the direct trade to or from each country and colony shows the whole character of the transaction. Trade is circuitous, and the debt which accrues to us in consequence of an export to a colony is often repaid to us by our imports from some foreign country. Moreover, as we shall see below, temporary causes have an immense effect both on our exports and imports; and although in the long-run trade balances itself, the exports to any one country for any given year, or short term of years, or even the exports and imports together, are often a most imperfect index of the nature of our whole trade with that country.

EXPORTS TO FOREIGN COUNTRIES.

Statement of the proportion Per Cent. of Exports from United Kingdom, including Re-exports, to each of the undermentioned Foreign Countries.

	Russia.	Germany	Holland	Belgium	France	Italy	Turkey	Egypt
	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.
5 Years ending 1870.	3·5	12·6	6·9	3·4	10·1	2·8	3·2	3·3
5 Years ending 1875.	3·6	12·6	7·6	4·5	10·0	2·7	2·5	1·8
5 Years ending 1880.	3·6	11·4	6·2	4·7	10·5	2·7	2·8	1·0
Average for whole Period.	3·6	12·2	6·9	4·2	10·2	2·7	2·8	2·0

EXPORTS TO FOREIGN COUNTRIES (*continued*).

	United States	Brazil	Chili	Peru	China	Japan	Other Foreign Countries	Total
	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Per Cent.	Pr. Ct.
5 Years ending 1870.	11·7	2·7	1·0	0·6	2 6	0·7	11·8	76·9
5 Years ending 1875.	12·0	2·5	0·9	0·8	1·9	0·7	12·6	76·7
5 Years ending 1880.	9·4	2·5	0·6	0·4	1·9	1·1	12·8	71·6
Av. for whole Period.	11·1	2·5	0·8	0 6	2·1	0·8	12·6	75·1

COLONIES AND BRITISH POSSESSIONS.

Statement of the proportion Per Cent. of Exports from United Kingdom, including Re-exports, to each of the undermentioned Colonies.

	British North America	West Indies	Australia	India	South Africa	Others	Total
	Pr. Ct.	Pr. Ct.	Per Cent.	Pr. Ct.	Pr. Ct.	Pr. Ct.	Per Cent.
5 Years ending 1870.	2·9	1·2	5·4	8·9	0·7	4·0	23·1
5 Years ending 1875.	3·3	1·2	5·9	7·5	1·4	4·0	23·3
5 Years ending 1880.	2·9	1·2	7·7	10·1	2·2	4·3	28·4
Average for whole Period.	3·1	1·2	6·3	8·8	1·5	4·0	24·9

servations on r Trade h each reign untry d lony.

It would take more time and more knowledge than I possess to explain in detail the figures contained in the appended tables. Each foreign country and each colony shows its own fluctuations, both of imports and exports, and these fluctuations have been as great in the Colonial as in the Foreign Trade. It would be most instructive to trace these fluctuations to their real causes. Protectionist tariffs have, no doubt, in some cases, and to some extent, been causes of these fluctuations; but other causes, such as the cotton famine, the Franco-German war, the French indemnity, English investments abroad, bad harvests in Europe and good ones in America, and the war in South Africa, have probably been still more potent factors. To trace the effect of these causes would throw light on many a delusion, and it is in the hope that some one may be tempted to do this, as much as for my immediate purpose, that I annex these tables. At present I will only call attention to one or two facts connected with the different trades.

Our Trade with Russia.

ssia.

The exports to Russia have, on the whole, increased during *the last fifteen years*, and are much higher now than they were [illegible] *1866. On the* other hand, the imports from Russia have

diminished. In the five years ending 1870, Russia sent us 6·8 of our whole imports, and took 3·5 of our whole exports; and in the five years ending 1880 she sent us only 4·7 of our whole imports, and took 3·6 of our whole exports. This ought to gladden the hearts of the Fair Traders. And yet Russia is a strictly Protectionist country, and has lately raised her tariff. The reason for the decrease in her exports to us is, of course, that America has beaten her in the supply of corn; but this does not account for the increase of our exports to her.

Our Trade with Germany and Holland.

Germany and Holland.

These two countries may be taken together, since much German trade goes through Holland. Their proportion of our whole trade, including imports and exports, has remained steady during the last fifteen years. The exports increased in the five years ending 1875, especially in the years 1871 and 1872, and have decreased in the last five years. The exports of British produce to Germany were, in 1870, 20 millions; in 1872, 31½ millions; of which considerably more than one-half consisted of cotton and woollen manufactures; and in 1880, 17 millions. The German tariff may have been one cause of the diminution in 1880, and a real decline in the demand for English woollen manufactures may have been another. But in comparing the figures of cotton and woollen manufactures of different periods, there are several circumstances to be taken into consideration. There were errors in our Trade statistics up to 1872–73, making the value of woollen exports appear larger than it really was. Further, the price of the raw material constitutes a large part of the price of the manufactured article; the whole of the raw cotton and much of the raw wool come to us from abroad, and have to be paid for; and the prices of both have fallen since 1872, that of raw cotton as much as 30 per cent. The apparent loss on exports has, therefore, to be diminished by the difference. But there was another temporary cause, independent of tariffs and of prices, which, no doubt, increased our exports to Germany in 1871 and 1872. The French indemnity of 200 millions was paid to Germany partly in French cash, partly in French exports, but partly also through England, so that a part, and probably no inconsiderable part, of the large English exports of merchandise to Germany in the period from 1871 to 1875 consisted, in fact, of advances to Germany on French account, to be repaid to England

Effects o French Indemni

by France. This is confirmed by finding that the imports into Germany from the principal European countries—viz., France, Belgium, United Kingdom and India, Italy, and also from the United States—during the five years 1871 to 1875, exceeded the exports to those countries by 23 millions a year, an excess which was reduced to eight millions in 1877.* It is also confirmed by the French statistics,† which, after showing a large excess of imports in 1871, probably to make up losses caused by the war and the defective imports of 1870, show a large excess of exports, especially to Germany, Belgium, England, Switzerland, and Italy, amounting to not less than 24 millions a year during the years 1872 to 1875. In short, France borrowed to pay the indemnity; England and other countries made advances in the shape of goods, and France has since been repaying these advances, or the interest upon them. There are, therefore, good reasons to explain the increase of German trade in 1872–75, and its subsequent decrease, without supposing that English industry is on the decline, or that the demand for English manufactures, even in Germany, is failing.

Our Trade with Belgium.

Belgium. Our whole trade with Belgium is steady. Our export trade to Belgium is, on the whole, increasing; but the export of British produce was rather more in the years 1872–75 than in the subsequent years, probably for the same reasons as have been shown to apply in the case of Germany.

Our Trade with France.

France. The proportion which our trade with France bears to our whole trade has varied very little. It was rather less in nominal value in the five years ending 1880 than in the previous five years, but has been increasing since 1879. Our exports to her increased very largely in 1871, and have maintained a high average since, being larger now than they have been since 1876. Her exports to England in common with her exports to other European countries, have increased still more largely, giving, as above stated, a

* See Table VIII., giving the Exports and Imports of Germany from 1868 to 1877. These figures are taken from the statistics of the several countries. If taken from German statistics, the figures for the imports into Germany would, no doubt, be increased, and those of exports from Germany diminished.

† See Tables IX. and X., French Imports and Exports, 1868 to 1877.

surplus of exports over imports to these countries for the five years ending 1875 of 18 millions a year, a surplus probably due to the payment of the German indemnity. Her exports to the United States have diminished; whilst her imports from the United States have increased.

Our Trade with Italy.

Italy.

There has not been much change in the amount or proportion of our trade with Italy. But one thing is remarkable. Italy is one of the few countries where our exports exceed our imports. This they have done for the last fifteen years, at the rate of two millions a year and upwards. Now it is impossible to believe that we are doing trade with Italy at a loss. Nor is it probable that Italy is lending us money and is exporting goods to us. On the contrary, it is certain that we have lent to Italy, and that interest must be owing to us. Is it not more than probable that Italy pays her balance to us in a circuitous way? Looking to the French statistics (see Table X.), we find that the imports from Italy into France exceed the exports from France to Italy by an amount averaging in the last ten years five millions sterling a year; and we hear, *usque ad nauseam*, that France sends us many millions more than she takes from us. It is, therefore, most likely the case that Italy sends us goods through France, and thus pays her balance to us, and increases the apparent French exports to England at the same time.

Our Trade with Turkey.

Turkey.

Our trade with Turkey has decreased largely, and the reasons are too obvious to dwell upon.

Our Trade with Egypt.

Egypt.

There has been a large diminution in our trade with Egypt, but some of it is nominal, because since the opening of the Suez Canal many cargoes to and from the East, formerly entered as to and from Egypt, have been entered as to and from the countries of destination and of shipment in the East. They may thus possibly swell the apparent increase of our Indian and Colonial trade. In the comparative cessation of the import of raw cotton from the East since the American market has been re-opened, and in the cessation of loans to Egypt after 1873, are to be found other reasons for the diminution of our trade with Egypt.

Our Trade with the United States.

United States.

It is our trade with the United States which is the *pons asinorum* of our Fair Traders, and I shall have occasion to refer to it again in a subsequent part of this paper. Our whole trade has increased very largely, both absolutely and proportionately. It constituted 13·7 per cent. of our whole trade in the five years ending 1870, and 17·6 per cent. of our whole trade in the five years ending 1880. But our exports to the United States were 11·7 per cent. of our whole exports in the former period, and only 9·4 per cent. in the latter period; and this diminution, together with a considerable addition to the aggregate trade, is made up by an increase of imports. It would be idle to repeat what has been said so often already of our loans to the United States made in the earlier period, and of the payment of interest upon these loans which now appear in our imports. Nor is this the place in which to attempt to disprove the assumption made without the shadow of an argument, and, as I believe, without the shadow of foundation, by Mr. Farrer Ecroyd, that we are now calling back capital from the United States. This point is referred to below in the chapter on exports and imports (Chap. XXVI.); here I will only notice that, in speaking of the reasons for the excess of imports, I have given some figures which, if they approach the truth, show that we are increasing and not diminishing our foreign investments; that we are still lending rather than recalling capital; and, if this is so, the United States is certainly one of the countries to which we are lending most. One or two important facts I may point out which are shown by these tables—viz., first, that our exports to the United States have increased from 17½ millions, at which they stood in 1878, to 38 millions in 1880; and, secondly, that there are circumstances mentioned below, under the head of Indian trade, which make it in the highest degree probable that we pay for imports of corn from America by exporting manufactures to our own possessions in the East. As an illustration of the way in which this may take place, I may quote a passage from the *Economist* in the week (I am writing 15th October, 1881):—"Last week the steamer *Australia*, from Sydney, landed over a million dollars in gold at San Francisco. Australia, of course, pays this gold on English account."

Our Trade with Brazil.

Brazil.

Our trade with Brazil has declined, but the imports have

decreased more, and are now considerably less, than the exports. As we have lent money to Brazil and do much of the carrying to her, it is clear that our imports from her ought very largely to exceed our exports to her; and as her exports to the United States very largely exceed her imports from the United States, there can be little doubt that we pay some of our debts to the United States for corn and cotton, by exporting our manufactures to Brazil.

Our Trade with Chili and Peru.

Both our aggregate trade and our exports to Chili and Peru have considerably decreased in the last five years, and for this the cessation of our loans to Peru, and the subsequent Peruvian collapse, and afterwards the war between Chili and Peru, are sufficient reasons. Chili an Peru.

Our Trade with China.

Our imports from China have maintained their comparative position; our exports to China averaged six millions in the five years ending 1870; nearly six millions in the five years ending 1875; and something less than five millions in the five years ending 1880. This, however, is a case where nominal values conceal the real facts. Three-fourths and more of our exports to China consist of cotton and woollen manufactures. Now the quantity of cotton goods exported to China during the latter period was 2·6 per cent. more than during the former period, and of woollen goods 18 per cent. At the same time the price of raw cotton, which forms a large proportion of the cost of cotton goods, was 23 per cent. less in the latter than in the former period, and the cost of raw wool also much less. Consequently the real value of the exports of the produce of British labour was considerably greater in the latter than in the former period. Yet this increasing export trade is what the Fair Traders desire to check, by placing a differential duty on Chinese teas. It must also be remembered that Hong Kong, the trade with which swells the lists of colonial imports and exports, is really a depot for China, and that in order to do justice to the trade of China, a great part of our trade with Hong Kong should be added. China.

Our Trade with Japan.

The aggregate trade and the exports have both increased. Japa

Our Trade with British North America.

ritish orth merica.

British North America is certainly one of the colonies to which our Fair Traders would wish to show special favour. It is Canada which is to profit by their new policy, especially by a tax on United States corn. Now our exports to Canada, so far from increasing in proportion to our greatly increased imports from her, were considerably lower in 1880 than they had been in the years 1871 to 1875. In 1874, they were £10,210,985. In 1879, they had diminished to £6,118,862. For the five years ending 1875, they averaged 3·3 per cent. of our total exports; for the five years ending 1880, they averaged only 2·9 per cent.

Our Trade with the West Indies.

'est ıdies.

The British West Indian trade has been nearly stationary; but our exports to the West Indies have been slightly less in nominal amount for the five years ending 1880, than for the five years ending 1875.

Our Trade with the Australian Colonies.

ustralia.

The imports from the Australian colonies have risen from £11,423,268 in 1866, to £25,663,334 in 1880, and the rise has been steady, except in the case of a great jump in 1880. But our exports have not risen in nearly the same proportions, nor so steadily; they were £14,620,779 in 1866, and only £18,748,092 in 1880. They were highest in 1874-78, when they averaged about 21 millions annually.

Australia is, however, the one group of self-governing colonies to which the Fair Trader will point as showing a steady progressive increase in the whole trade, and a comparatively large recent increase in the exports they take from this country. But I am not sure that the Fair Trader will be much comforted when he learns that one great reason for the increase of exports, is the larger amount of the loans which England has been making to Australia. The amount of her public debt has increased from 27½ millions in 1867, to 78 millions in 1879. It is estimated* that our loans made to Australia in 1880 amounted to 10 millions, and that her aggregate debt to us is not less than 120 millions. The

* See the *Economist*, Aug. 27, 1881.

advance of the principal probably accounts for a large part of the increase of our exports. But I fear that the Fair Traders, who are so much alarmed at the imports which the United States send us in payment of the interest on their debt to us, will at no distant time have to groan over a similar excess of imports from Australia, arising from a similar cause. And if the authority to whom I have referred, is right in supposing that Australia becomes indebted to us every year, for freight earned by our shipowners, to the extent of many millions, they will have an additional source of alarm, for we shall get that amount of imports from them without giving them any visible exports whatever in return. Another thing to be remarked concerning Australia, as concerning India, is that she exports to the United States more than she imports from them. I have already mentioned an instance of the way in which she makes payment to the United States on English account, and there are probably many more; if we check our imports from the United States, we shall check our exports to Australia as well as to India.

Our Trade with South Africa.

South Africa.

The imports have risen steadily in fifteen years, from £2,700,000 to £5,640,000. In our exports, there was a rise till 1876, when there was a drop of nearly a million, viz., from £5,350,412 in 1875 to £4,502,739 in 1877. In 1879 and 1880, owing probably to the war, and not to legitimate trade, there was a great rise, and they amounted to £7,206,000.

Our Trade with India.

India.

The imports from India have on the whole decreased during the last fifteen years. The aggregate for the five years ending 1870, was 150 millions; for the five years ending 1880, 143 millions. The highest year was 1866, 37 millions; and the lowest 1879, 24½ millions.

Our exports to India have been steady, ranging from 18 to 25 millions, and increasing slightly in each succeeding period of five years. But in 1880 there was a great jump from £22,714,682 to £32,028,055.

With such figures as these, and others given above, it is nonsense to say that our colonial trade is free from fluctuations; that the demands for our exports is steadily and constantly

on the increase, or that it bears in each case a fixed proportion to our imports.

cuitous ıde of gland, East, ıerica, l other ;eign ıntries.

But there is something further to be learnt from the Indian trade. Whilst the exports to India were in 1880, 37 millions, the imports from India were only 30 millions, a very remarkable fact in itself, when we remember that in addition to the freight, charges, and profits, which we ought to receive over and above the value of our exports, India has to pay us about 20 millions annually in the form of tribute, for which she gets no return in goods. If this fact stood alone, it might warm the heart of a Fair Trader, but it would be an embarrassment to the political economist. Let us see if it is capable of explanation. Omitting the year 1880, for which the Indian statistics are not yet published, we find that for the ten years ending 1879, according to the English statistics, our exports to India were 286 millions, and our imports from India 303 millions, or an annual average of over 28 millions of exports to 30 millions of imports. This, though more intelligible than the figures for 1880, still leaves much to be explained. Two millions a year is far short of what India ought to send us. Turning to the Indian statistics, we find that for the same ten years, the imports into India from the United Kingdom, were 351 million pounds, or an average of 35 million pounds a year; and that her exports to the United Kingdom were 294 million pounds, or an average of 29 million pounds a year; leaving an aggregate surplus of imports of 57 million pounds, and an annual average surplus of imports of more than five million pounds. The difference between these statistics and our own is accounted for partly by the fact that though the rupee has fallen in value it is converted in the Indian statistics at the rate of 2s., and partly by the difference between the value of goods at the port of shipment, and their value at the port of arrival, but the Indian figures make it still more difficult to understand how India manages to pay her tribute to us, more especially since in the case of India there cannot be the transfer of securities by which in many other cases the balance of trade is settled. The exports of railway material to India, which were in fact loans to India, will account for a part, but only a small part, of the difference. But if we turn to another page of Indian statistics we shall find the explanation. There are many countries to which India, according to her own statistics, exports much more than she receives from them, viz.: France, Austria, Italy, the United

States, China, and Ceylon. Appended is a table* giving her trade with these countries for the same years—1870 to 1879. From this table it appears that the aggregate imports into India from these countries during that period was 57 millions, and the annual average nearly six millions; whilst the aggregate export to them from India was 243 millions, and the annual average above 24 millions; leaving an aggregate surplus export of 186 millions, and an average annual surplus export of nearly 19 millions; which, curiously enough, is about the amount of the English tribute. This coincidence is, no doubt, accidental, and the real value of the exported goods when they reach the place of exportation must, of course, be much higher.

Now all these countries, except Italy, to which I have referred before, are countries to which, according to our own statistics, England exports much less than she receives from them, to the great sorrow of the Fair Traders. Perhaps they will be comforted when they see that the balance is redressed by means of that Indian trade which they are so desirous to encourage. England buys what she needs from America, from France, and from other countries; India buys from England; and America, France, &c., in their turn buy from India and the East. The process may be more circuitous still. For instance, India exports to China much more than she receives from China, averaging for the last ten years nearly 10 millions a year; China sends to America, as well as to England, more than she receives from them; England no doubt sends manufactures to India; India sends opium, &c., to China; China sends tea to America; America sends corn to England, and thus the accounts are balanced. But however numerous the steps of the process, and however circuitous the channels, trade will find its way and its level.

I have dwelt on this case because it is a good illustration of the folly of supposing that the statistics of the direct trade between any two countries give a complete account of their respective dealings, and of the consequent difficulty of foreseeing the ultimate effect of anything which promotes or impedes a particular branch of trade. In this case it is quite possible that the European demand on America for corn may have stimulated the export trade of India, which, as we have seen, has largely increased in the last year or two. And it is

* See Table XII., in Appendix.

also possible that if our Fair Traders could have their way in checking the supply of American corn to England they might be injuring that Indian trade which they are so anxious to promote.

Conclusion that Colonial Trade does not increase more or fluctuate less than Foreign Trade; that the two are alike, are mixed; and influenced by many temporary causes.

From all the above figures it is abundantly clear, first, that our direct trade with the colonies is not in the aggregate increasing faster than our trade with other countries; and secondly, that it fluctuates as much as our direct trade with other countries.

Some other things are also made obvious by them; for instance—

The direct trade with our different colonies and possessions has no uniform character making it to differ from the direct trade with foreign countries.

The direct trade either with foreign countries or with the colonies is no complete or real indication of the whole character of the trade. It is often circuitous, and the flow and return of our trade with any given country is often only completed by a roundabout route through one or more other countries. To restrict our trade with a foreign country may be to restrict the trade of a colony, and *vice versa.*

The amount of our exports to and imports from each foreign country and colony is at different times influenced by a large number of causes altogether independent of the permanent demand for our manufactures in that country, *e.g.* by such things as the Franco-German war, the French indemnity, the cotton famine, the Indian tribute, and perhaps, above all, by the character and quantity of British investments abroad.

CHAPTER V.

PROTECTION IN FOREIGN COUNTRIES, WHETHER INCREASING OR DIMINISHING.

Assumption that Colonies have less tendency to Protection than Foreign Countries.

I PROCEED to consider another assumption of the Fair Trade League—the assumption, namely, that the colonies will receive our goods on better terms than foreign countries; that they are, so far at any rate as we are concerned, less commercially hostile and less Protectionist.

It is not easy to follow the history in the changes of any one tariff, to compare specific with *ad valorem* duties, and to

ascertain their several effects on our principal manufactures. Still less easy is it to compare the history of the tariffs of different countries and their several effects on our trade. But before any assumption such as I have mentioned was made, this ought to have been done. That it has not been done I need not say.

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In Mr. Ecroyd's paper there is not a fact given. In the programme of the Fair Trade League it is simply asserted that in our own colonies "our goods will be taken if not duty free, yet subject only to revenue duties almost unavoidable in newly-settled countries, and probably not equal to one-third the Protective duties levied by the United States, Spain, Russia, &c."

From this and similar expressions it might be supposed that the tendency of foreign countries generally was to increase their Protective duties, and the tendency of our colonies to diminish them. It is desirable to see what the facts really are. In 1879 two returns* were obtained by Mr. Talbot, giving the duties levied on the principal English manufactures in the colonies and in foreign countries in 1859 and in 1879 respectively; and a return has recently been moved for by Lord Sandon, giving the duties levied on the principal English manufactures in all foreign countries and in each of the colonies. One part only of this return has been issued.† I have also appended to this paper two tables,‡ the one giving the actual rates of duty levied on our manufactures in the different countries and colonies *at the present time*, the other giving the same reduced, so far as possible, into *ad valorem* duties, for the purpose of comparison. The figures in both are probably accurate enough for the purpose of the present argument, but it must be borne in mind that every statement of an *ad valorem* duty is necessarily uncertain. The price of the article at the time, the place at which the value is taken, the modes of estimating it, are all varying and uncertain factors, so that in comparing *ad valorem* duties with one another, and in reducing specific duties into *ad valorem* duties, there is always large room for doubt and inaccuracy. Taking the different

Return Duties 1859 a 1879.

Lord Sando return.

Presen Rates Duty i Foreig Count and C nies.

* See Parl. Papers, Nos. 200 and 218, of 1879.

† See Parl. Paper, No. 333, of 1881.

‡ See Tables XIII. and XIV. For these and other tables and information I am indebted to Mr. E. J. Pearson, of the Statistical Department of the Board of Trade.

Protection in Foreign Countries.

countries in succession, the general features of change seem to be as follows :—

Russia.

Russia.

Russia made large diminutions in her heavy duties between 1859 and 1879. From the 1st January, 1881, they have been raised 10 per cent.; but not to the extent by which they had previously been diminished. As, however, the duties are now paid in gold, the difference in value between paper and gold makes the duties in many cases as high as or higher than in 1860.

Germany.

Germany.

In Germany there were very great reductions between 1860 and 1870, so that the tariff previous to the late increase was a very moderate one. In 1879 came Prince Bismarck's well-known Protectionist measures, and the duties on many articles of manufacture, as well as on food and raw materials, were largely increased. On some few articles the German duties are now higher than in 1860, but in most instances they are much lower; and, high as they are, they are not now on the whole nearly so high as the duties imposed at the same time by Canada.

Holland.

Holland.

In Holland there has never been an increase, and the reductions have been frequent and steady. Her tariff is now one of the lowest in the world, as low in fact as the tariffs of our Free Trading colonies.

Belgium.

Belgium.

In Belgium, again, there has been no increase, but many reductions. Her tariff, though not so low as that of Holland, is on the whole lower than that of France. It will compare favourably with that of Canada, if not with that of Victoria.

France.

France.

In France there have been several diminutions of duty since 1860. The duty on woollen yarns has been increased. Except in the case of iron, the duties are far lower than those of Canada.

Denmark.

Denmark.

The duties are, with a few exceptions, the same as or lower *than in 1860.*

Sweden and Norway.

The duties have been generally reduced since 1860, and in no case increased, except on spirits and sugar. Sweden

Italy.

Between 1859 and 1879 there were large reductions. The duties have been lately increased, but not to the extent of the previous reductions. They are, on the whole, lower now than in 1860, but on some important articles of British produce they are higher. The tariff is now rather less favourable than that of France, but much more favourable than that of Canada. Italy.

Austro-Hungary.

The reductions between 1860 and 1870 were very large indeed. A considerable increase has since been made on silk, cotton and woollen goods, and on leather, but the recent increases are nothing like the previous reductions. The Austrian tariff is, on the whole, except in the matter of iron, considerably more favourable than that of Canada. Austro-Hungar.

Spain.

Spain is not yet given in Lord Sandon's return. She reduced her enormous duties between 1859 and 1879, but has since placed differential charges on English goods in return for what she considers our differential duties on Spanish wines. The present state of things in Spain, however, holds out a prospect of reduction, if we can satisfy her that we do not deal unfairly with her wines. It is to be hoped that in reforming her tariff, the abuses of her Custom House system will also be reformed, for they are quite as great impediments to trade as her tariff. Spain.

Portugal.

Portugal also made some reductions in her heavy duties between 1859 and 1879; but her present duties are not yet given in Lord Sandon's return. Portugal

United States.

The United States are, among foreign countries, the one great exception to the rule that duties are, on the whole, lower than before 1860. Their present tariff, varying from 35 to *100 per cent.* ad valorem, is not only much higher than United States.

Protection in Foreign Countries.

it had ever been in previous years, but is much higher than any other of the tariffs I have referred to, and is probably as near prohibition as a working tariff can be; and yet such are the beneficent laws of Providence, that in spite of the folly of man the United States do an enormous trade with us and with other countries, and have, no doubt at an immense and needless cost to themselves, the use of a large share of the good things of other countries.

CHAPTER VI.

PROTECTION IN THE COLONIES, WHETHER INCREASING OR DIMINISHING.

Protection in the Colonies.

LET us now consider the case of our own colonies. Lord Sandon's return of colonial tariffs is not yet presented; but the following appear to be the facts:—

New South Wales.

New South Wales.

The tariff here always has been and still remains very low—lower, except in one or two particulars, than any European tariff. New South Wales is, *par excellence*, a Free Trading colony.

Victoria.

Victoria.

Victoria, which had in 1859 a tariff as low as New South Wales, had raised her duties considerably in 1879, and has raised them still more since. They are now considerable, and are, on many important articles, as high as those of France, Italy, or Austria, and higher than those of Holland or Norway.

South Australia.

South Australia.

There were no import duties in 1859; in 1879 she had imposed considerable duties on various articles of British manufacture, and these still remain.

Western Australia

Western Australia.

Had duties of about 7 per cent. ad valorem in 1859; many of them were increased to 10 per cent. by 1879, and they have *since been still* further raised. They are now as high as, or *higher than,* those of Victoria.

Tasmania.

There were no import duties in 1859; in 1879 considerable duties had been imposed, which have since been raised. They are now, on the whole, higher than those of Victoria. Tasma

New Zealand.

There were no import duties in 1859; in 1879, duties amounting to 10 per cent. had been imposed on many English products. These duties have since been raised, and the tariff is now as high, on the whole, as those of other Australian colonies. Whilst writing this paper, I hear the good news that she has just taken off her duty of 15 per cent. on cottons. New Zealan

Queensland.

There were no import duties in 1859; since then duties have been imposed, which, however, are not as high as those of the last-named colonies, though higher than New South Wales. Queen land.

Canada

Has, as is well known, largely increased her duties by her tariff of 1879. It is now considerably higher than those of France, Italy or Austria, and of course much higher than those of Holland or Belgium. It is thoroughly Protective, whatever Mr. Goldwin Smith may say to the contrary. It was expressly so intended by its authors, and bids fair, if the spirit in which it was proposed continues to prevail in Canada, to rival the monstrous tariff of the United States. Canad

Cape of Good Hope.

In 1859 the duties were 7½ per cent. In 1879 they had been raised to 10 per cent., at which rate they now generally stand. Cape.

West Indies.

In Jamaica there are duties of 12½ per cent., which have not been altered since 1859. West Indies.

In Barbadoes duties of 3 per cent. have been raised to 4 per cent.

Mauritius.

Moderate duties exist, about 6¾ per cent., which have been very slightly raised since 1859. Mau

Ceylon.

ylon. In Ceylon there are moderate duties, about 5 per cent., which have remained unchanged.

India.

dia. In India the duties are moderate and few, and, as is well known, have been recently lowered; but this has been done not by the people, or even by the Government of India, but by English influence.

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From the figures given in this and the preceding chapter it is clear—

First. That with the important exception of the United States no foreign country has since 1859 raised its duties to a point as high as that at which they then stood.

Secondly. That several European countries have gone on continually reducing their duties.

Thirdly. That there is no one of the self-governing English-speaking colonies, except New South Wales, which has not increased its duties since 1859, and that some of them, and those the most important, have increased them largely.

Fourthly. That the tariffs of several of the Australian colonies are as high as, and that of Canada higher, than the tariffs of France, Italy, Austria, or Germany, and much higher than the tariffs of Holland, Belgium, or Norway.

Consequently, the assertion of the Fair Traders, that whilst foreign nations are refusing our goods our colonies are ready to take them duty free, or subject to moderate duties, is not only not correct but is the contrary of the fact. If tendencies are to be judged by experience, there is a greater tendency to Protection in our colonies than in foreign countries.

CHAPTER VII.

IS A CUSTOMS UNION OF THE BRITISH EMPIRE POSSIBLE?

I THINK that it has been satisfactorily proved that the special assumptions on which the Fair Trade League have based their demand for a differential treatment of the colonies, are unfounded.

The direct trade with our colonies is about one quarter of our trade with the world.

Assumptions of Fair Trader grounds New Policy.

The direct trade with our colonies, and especially our export trade generally, has not increased faster than our trade with foreign countries.

Even where our exports to our colonies appear large, and those to foreign countries appear small, in comparison to our imports from them, there is good reason to believe that the exports to the colonies depend upon, and are often caused by, the imports from foreign countries.

Our trade with our colonies is subject to fluctuations no less than that from foreign countries.

The colonies, or at any rate those with whom we must treat as independent and self-governing communities, show at least as great a tendency to Protection as foreign countries.

There is, therefore, nothing in the existing facts to call for a reversal of our settled policy of non-interference with trade; nothing to justify an attempt to check trade with foreign countries in order to divert it to our colonies. On the contrary, the trade of the mother country with the colonies, and her trade with foreign countries, are both progressing in an equally satisfactory manner, and they are so mingled that any attempt to check foreign trade, whilst it would undoubtedly diminish the whole bulk of our trade, would very probably interfere with and diminish that very colonial trade which it was intended to encourage.

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But is it possible to do anything by legislation to encourage our trade with the colonies? If so, by all means let it be done. The motto of the Cobden Club, "Free Trade amongst all Nations," is entirely consistent with the earliest and utmost possible development of Free Trade with our own fellow citizens. If there is to be choice amongst those with whom we are to do business, let us choose in the first instance to do it with those with whom in other ways we have the closest relations. Only let us be sure that we do not injure ourselves or them in so doing, and that in seeking for a closer relation than that which already exists, we do not strain the bonds which at present keep us together. The Free Trader will not yield to the Fair Trader in national pride, in jealousy for British greatness, and in all that constitutes the glory of the British name and character; nay, he would be willing, where greater interests are at stake, *to sacrifice to them* some portion of material prosperity ;

when restrictions on commercial liberty are proposed in the interests of material prosperity, he requires to have it proved that they will really promote that prosperity; and when they are proposed in the interests of imperial relations with our colonies, he desires to be assured that they will not strain and weaken those relations.

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It would, indeed, be an object worthy of the ambition of any statesman or generation of statesmen to form a perfect Customs Union, embracing the whole British Empire. If it were possible to have no duties whatever in any part of that Empire on goods brought from any other part of it; if, for purposes of trade, India, Canada, Australia, the Cape, and the West Indies were as much one country as Yorkshire and Lancashire, it would be a consummation at least as welcome to the members of the Cobden Club as to the most devoted Imperialist. But such a consummation is a dream. It involves the same fiscal system in countries differing widely as the poles in climate, in government, in habits, and in political opinions. It is contrary to the very principles of self-government. It would prevent any change in taxation in one of the countries constituting the British Empire, unless the same change were made in all. Desirable as it is, it may be dismissed at once from practical discussion.

It has, indeed, been said that such a thing was at one time possible, and that it has been lost by want of statesmanship; that in giving our colonies self-government, we missed the opportunity of requiring them to adopt our tariff; and that what would now be impracticable as an Imperial interference with their liberties, would then have been willingly adopted as a condition upon which those liberties might have been granted. Such an assertion raises no practical question; but it is, I believe, a complete mistake. Self-taxation is of the very essence of self-government. To have required such colonies as Canada and Australia to adopt our system of external taxation, and to model their own internal taxation accordingly; and to continue to insist on that requirement, whatever their own change of opinion or condition might be, would have been to clog the grant of self-government with a condition which would have destroyed its value. Free Trade is of extreme importance, but Freedom is still more important; *and to force Free* Trade on a free country is a breach of the *fundamental principle* which includes Free Trade.

CHAPTER VIII.

PROPOSALS OF THE FAIR TRADERS FOR ENCOURAGING COLONIAL TRADE ARE PROPOSALS TO RESTRICT TRADE.

Fair Trade proposals for Differential Duties in favour of Colonies.

DISMISSING the notion of an Imperial Customs Union to the limbo of impracticable ideals, is it possible for anything to be done by the British Parliament to promote commercial intercourse with the colonies?

The course proposed by the Fair Traders and Mr. Ecroyd is to place a differential tax on articles of food which come from foreign countries, and to admit food from the colonies free; to charge 10 per cent. more on articles of luxury, such as tea and coffee, tobacco, wine and spirits, coming from foreign countries than is charged on the same articles coming from the colonies; and to charge adequate import duties on the manufactures of foreign countries which do not admit our manufactures free of duty, whilst allowing colonial manufactures to be admitted free of duty.

I presume this to be the meaning of the Fair Trade manifesto; but I must admit that the document is hazy upon the question whether the duty on colonial tea and other luxuries is to be remitted altogether, and also upon the question whether colonial manufactures are to be admitted free unconditionally, or only on the condition that our manufactures are admitted free into the colonies.

They are proposals to restrict and diminish Trade.

Now, the first observation on these proposals is that they have for their object to divert trade by interrupting one of its natural channels, and therefore their effect must be to diminish the whole volume of trade. They are, consequently, open to the fatal objection which makes all Protection odious to Free Traders—viz., that they hinder people from buying and selling where they find it to their interest to buy and sell—that they limit production by preventing people from using their natural capacity to the utmost in making and selling the things which they can make better than others. They are restraints on trade and manufacture. And when it is alleged that there *will be no ultimate* loss, because with due encouragement

Fair Traders propose to diminish Trade.

the new market will be as productive as the old one, the answer is that the burden of proof lies with those who make such an improbable assertion. Take Canada as an instance, since Canada is the colony to which the Fair Traders point as able to supply us with corn. Now, so far as Protective duties are concerned, Canada is, as I have shown, fast following the Protectionist example of the United States, though she has a good way to go before her tariff is so obstructive to her export trade as that of her great neighbour. Still, in spite of the advantage Canada thus reaps from her lower tariff, she now sends us only 6·8 per cent. of our imported wheat, whilst the United States send us 65·9 per cent. British North America sends us 3·8 per cent. of our total food supply, whilst the United States send us 35·4. Is it conceivable, with the known advantages of people, soil, and climate which the United States possess, that any restriction on free production which the most audacious of Fair Traders might advocate, would so far change the natural condition of things as to enable Canada to displace her gigantic rival, without diminution of the aggregate produce, and without loss to the British customer?

It is needless to follow this point any further. To shut out our Foreign Trade must restrict production. Leaving this general objection, let us consider the proposals of the Fair Traders in detail.

CHAPTER IX.

PROPOSED TAX ON FOOD.

Differential Tax on Food the keystone of the Fair Trade proposals.

Of all the proposals of the Fair Traders, by far the most important is that which contemplates a tax on foreign food.

This proposal has been scouted by the working classes, and is rejected by the Tory leaders, and it seems superfluous to discuss it. Nevertheless, it is perhaps more defensible than any other part of the scheme. It is the keystone of the edifice of Fair Trade. It is the only bribe which offers a real temptation to the colonist: it is the only threat which has any terror for the United States. And if there is any interest in this

country which demands protection from the legislature, it is that interest which is at once suffering from bad seasons and from low prices, and which is deprived by foreign competition of the compensation for bad seasons formerly found in high prices.

Tax on Food.

It is, therefore, difficult to discuss the scheme at all without discussing the proposal to place a differential tax on foreign articles of food.

The big loaf and the little loaf are good electioneering answers, but they do not exhaust or explain the question, and they do not convey the whole truth.

Where does our Food come from.

It may be interesting, in the first instance, to see where our supplies of food come from; and I annex tables* which have been prepared, showing the proportions in which the different countries of the world supply us with each of our principal articles of food, and a summary showing what proportion of the whole each country sends. The following are the general results:—

Four-fifths from Foreign Countries and one-fifth from Colonies.

Foreign countries send us 138 millions' worth, or 82·4 per cent. of the whole; and our own possessions send us 29½ millions' worth, or 17·6 per cent. The United States send us 35·4 per cent., or more than twice the whole amount sent to us by all our own colonies and possessions. France sends us 7·6 per cent., and Germany, 8·3 per cent.; whilst British North America only sends us 3·8 per cent., and Australia only 1·9 per cent.; Russia sends us 3·1 per cent.; India sends as much as 5·8 per cent., which is a very little more than China, which sends 5·3 per cent. But India, which is of all our own possessions far the largest purveyor, is beyond our present purpose, since we already arrange her tariff as we think best. The above figures include so-called luxuries, such as tea, tobacco, coffee, wines and spirits. But if we exclude these, and confine our attention to articles of food which are not stimulants, the results will be similar. Of wheat, British possessions send us 20·3 per cent.; and foreign countries, 79·7 per cent. Of meat, British possessions send 6·7, and foreign countries, 93·3 per cent. Of animals for the butcher, British possessions send us 12·4, and foreign countries, 87·6 per cent. France sends us 23·3 per cent., and Holland 33·6 per cent., of our aggregate importation of butter—equal to 11½ millions sterling—whilst British North America only sends us 4·6 per cent. Of bacon and hams,

* See Tables XV. and XVI., in Appendix.

the United States send us 87·9 per cent., and of cheese, 67·0 per cent., whilst British North America—the only colony which sends us any of these articles worth mentioning—sends only 1·2 per cent. of bacon, and 15·1 per cent. of cheese. Eggs come to us in large quantities from Germany, France, and Belgium, but only in very small quantities from the colonies. Potatoes come to us in great abundance from France, and in still greater quantities from Germany, but hardly any from British America and none from Australia. Rice, sugar, tea and coffee are almost the only articles of first-rate importance of which large proportions come from our own colonies; and these come not from Canada or Australia, with whom it is proposed to make tariff bargains, but from India, Ceylon, Mauritius, and the West Indies, in all of which there are at present moderate tariffs, and in which —India, perhaps, excepted—the power of production, and consequent market for our manufactures, is extremely limited.

Looking, then, to the amount of food we get from foreigners, as compared with what we get from the colonies, it is clear that to legislate with the view of changing our source of supply from the one to the other, is a task not to be undertaken lightly or without a clear view of the results. Let us see, therefore, what are the objections to it.

CHAPTER X.

WHY IS A TAX ON FOOD OBJECTIONABLE?

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THE reason why it is not desirable to divert the purchase of food from the cheaper to the dearer market is not simply that it raises the price of food. It will probably do this, and the result would be most serious. According to Mr. Caird's calculations, made in 1878, our whole consumption of agricultural produce was then worth about 370 millions; of which 260 were home produce and 110 foreign. The increase of population requires an addition of about 4 millions annually; *and the proportion* of foreign produce consumed has increased *considerably* since 1877. Assuming the consumption to be

now 390 millions, and assuming, what is probably the case, that two-thirds of this is home produce and one-third foreign, the effect of a general rise in price of 10 per cent. would be that our population would have to pay 39 millions for their food more than they now pay, of which 26 millions would go to our own landed interest and 13 millions to foreigners. This is by itself a startling conclusion. But it is far from being all the evil which would result from a compulsory change of market. An equally important, if not more important, result will be that it will prevent both the purchaser and seller from getting the most they can with the means which Providence has given them.

Effects of a Tax on Food.

The buyer will have less to buy with, and the seller will have less to sell. If the English people are compelled to buy their food at home, they will spend on the production of food an amount of energy and capital which, if employed in making something else, would buy a much larger quantity of food from America; and they will compel the Americans to divert the capital and energy they now spend in producing food to making things which can be made much better and cheaper in England.

It will also diminish Production here and abroad.

The result will be just the same if our Parliament compels English people to buy their food in Canada. If they are to be deterred by a differential tax from buying the cheapest food in the United States, and to be compelled to buy dearer food from Canada, the result will be not only that England will pay more for her food, but the Canadian producer of her food, having to spend more labour and energy in producing it than the United States farmer now spends on it, will have less to spend on English manufactures.

To this the Fair Trader makes two answers. First, that the price of food would not be raised, because America has a surplus which she must export, tax or no tax; secondly, that a rise in the price of food in this country would be a cheap price for the additional market for English goods which would be acquired in the colonies by buying our food there.

Inconsistency of Fair Trade answers to this.

It is obvious that these answers are inconsistent with each other. If the price of corn is not raised in this country, and if America is still to supply our market at present prices, there will be no transfer of English purchases to the colonial market, and the whole of the Fair Trade proposal will fail. It is only by giving a *higher price* that we can encourage a greater growth of

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Canadian corn. If the Fair Traders are consistent, and really wish to effect their object; if they wish to confine our custom to those nations which buy freely from us, they must absolutely prohibit all goods, food included, from those nations which do not do so. To say we are to stop their selling, and still to receive from them what we now get from them, is blowing hot and cold. But, in fact, the notion that the price of corn would not be raised by a tax is absurd. The United States farmers are not under any spell to produce a certain fixed quantity of corn. They produce corn because we want it, and will pay them a remunerative price for it. If we check that demand by a tax, they will reduce their supply. The Western farmer is able to send wheat to Liverpool and London because, after paying cost of cultivation and of transport, the price leaves him a profit. If we increase these costs by adding a tax, it will reduce his market, and in many cases destroy his profit. He consequently will no longer produce, and will leave his farm for something else, as we know too well that many emigrants have done. The result of any tax on American corn, which is to transfer our custom to the Canadian market, *must* be to raise the price of corn in this country. But, say the Fair Traders, "Even if this is the case, it is no great harm. Food is not a raw material of manufacture; to raise the price of food will not necessarily raise wages, for, as Cobden said, wages do not rise and fall with the price of food. Our manufacturers, whatever happens to our workmen, will be able to produce as cheaply as before; and they will be able to sell much more, because the colony will, in return for the corn, receive their manufactures duty free; whereas the United States, by placing prohibitive duties on them, do their utmost to refuse them." "Even at the present time," so runs this precious argument, "every quarter of wheat imported from Australia affords us in return sixteen times as much trade and employment as a quarter of wheat imported from the United States, and every quarter of wheat imported from Canada thirty-five times as much as one imported from Russia."

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One really does not know where to begin in dealing with such an argument as this!

"Food is not a raw material of manufacture; for Cobden said that wages did not rise and fall with the price of food." *It is difficult* not to feel indignant at such a use of Cobden's *name. What* was it that Cobden really did say? The Protec-

tionists had accused him of wishing to lower wages for the manufacturers' benefit. They said, "You are doing no good to the workmen by lowering the price of corn, for wages will be lowered as the price of corn falls, and that is your real object." To this Cobden replied, "You are utterly wrong: wrong in your imputations, wrong in your facts. Wages do not fall with the price of food; wages have been highest when corn has been lowest. Nor am I seeking, nor shall I get, low wages. Low wages do not mean cheap labour. Let us buy foreign corn untaxed. The price of food will probably fall, but the demand for our manufactures at home and abroad will certainly increase, and the workmen's wages and the manufacturers' profits will both rise." Cobden was right, as the workmen well know: and they will no doubt understand the difference between him and his mis-quoters. Cobden said, "Leave corn untaxed, let food fall, and let wages rise." The Fair Traders say, "Tax corn, let food rise, and let wages fall." And they quote Cobden as their authority!

Effects of Tax on Food.

But let us consider a little what the effect of raising the price of food to the workman himself really is, and let us omit for the present all consideration of the market for our manufactures caused by the purchase of food abroad. The workman's wages will go less far than they did, and the comforts of his life will be reduced; if the labour-market admits of an increase in wages, he will demand and get it, and the cost of production will be increased accordingly to the manufacturer; if it does not, the workman will be reduced to the alternative of either living in less comfort than he has done hitherto, or of emigrating. If he does the former, not only will he and his family suffer, but he will be obliged to spend more upon food and less upon clothing, and this in itself will reduce the market for manufactures. If he emigrates, so much productive labour is lost to the country. To the manufacturer, employer, and workman alike, any artificial increase in the price of food is *per se* an unmixed evil, even without considering its effect upon the Foreign market for our manufactures. Much more is it an evil to them when it is remembered that the same measure which increases the price of their food also prevents them from getting the full return for their own expenditure of skill, capital, and labour.

Effect of raising price of Food on our Workmen.

CHAPTER XI.

FALLACY OF SUPPOSING THAT COLONIAL MARKETS WILL COMPENSATE US.

Absurdity of supposing Colonial Market more advantageous than Foreign Market.

BUT then, say the Fair Traders, this evil is to be compensated, and more than compensated, by the additional market for our manufactures which will be opened to us in the colonies. Now, in the first place, I have shown that the tendency of the colonies is to close, and not to open, their markets, and that in Canada the duties recently imposed on our manufactures, though not yet equal to the enormous duties of the United States, are approaching them, and are higher than those of many, if not of most, foreign States. But let us assume that the colonial duties on our goods are and continue much lower than the foreign duties, where is the new market to come from? Does the Fair Trader think that the United States farmer sends us a shipload of corn for nothing, and that if we get it instead from the colonial farmer, we shall still give to the United States what we now give, and also give to the colonial farmer, in exchange for his shipload of corn, many shiploads of manufactures which we now turn to some other beneficial use? If he does think this, does he think that the second transaction is much better for us than the first? And if he does not think this absurdity, what can be the meaning of the astonishing statement I have quoted above from the Fair Trade League circular? He apparently takes from the statistics of trade the quantity of corn imported from Australia and the United States, and the quantity of our manufactures exported to those countries respectively, and, finding that for every quarter of Australian wheat we export to Australia sixteen times as much of our manufactures as we export to the United States for every quarter of United States wheat, comes to the conclusion that for each quarter of Australian wheat we pay sixteen times as much of our cotton and cloth as for an equal quantity of United States wheat, and that

the transaction is consequently sixteen times as profitable, not to Australia which receives, but to England which pays, this wonderful price! These are the new prophets who are to subvert the doctrines of Cobden and Peel! The fact, of course, is that for every quarter we import, whether from Australia, from Canada, from Russia, or from the United States, we pay the market value—no less and no more. Whether it is paid for by the export of an equal value of English manufactures to the United States, by the export of English manufactures to India, or to some foreign country, and by a further export from that country to the United States, or even by some route more circuitous still, or by the remittance of bullion, or by a cancellation of interest upon debt, it must be paid for by this country, and the price paid for it will be the value of a quarter of wheat in the English market. The United States farmer does not give us his wheat for nothing; he takes from us whatever the competition of the English farmer, the Canadian farmer, and the Russian farmer allows him to take. The Canadian farmer does precisely the same. If they compete on equal terms they obtain equal prices, and set going an equal quantity of English labour to provide a return. If the United States farmer is able to produce wheat more cheaply and abundantly than the Canadian farmer, he can give us a larger quantity in return for the same quantity of our labour; in other words, both his labour and our labour go farther; there is more production, and both benefit. If under these circumstances we forcibly transfer the business from the United States farmer to the Canadian farmer, we do not thereby get a new purchaser for our goods, we only substitute a worse for a better purchaser—a worse for a better supply.

But then, it is said, Canada, Protectionist as her tariff is, is less Protectionist than the United States, and does less to keep our goods out of the market. If this is the case, she and we both get the benefit of it now. The Canadian farmer is so much the better off, and so is our manufacturer. All the good we can get by the lower tariff of Canada we are now getting. We shall not increase that benefit one jot by adding to the obstruction now caused by the United States tariff a new obstruction of our own. The United States tariff is doing serious injury both to the English manufacturer and consumer of corn, and to the American farmer and consumer of English

goods; to the former probably less harm than to the latter, because the Englishman has the rest of the world to go to, whilst the American cannot escape from his own tariff. But the injury thus caused will not be diminished, but aggravated, by interposing another obstruction of our own.

In short, if, under the existing Protectionist American tariff, the American farmer can compete with all the world in the English market, it is because what England has to pay him with goes farther in the American market than it does elsewhere. To transfer the custom forcibly to the Canadian market is to make what England has to pay with worth less than it now is.

Confusion between Individual commercial dealings and International arrangements.

I sometimes think that there is a fatal confusion in the minds of Fair Traders and Protectionists between a commercial treaty, or arrangement between nations, and the individual dealings of commerce. The Commercial Treaty assumes the mischievous and delusive form of a bargain, in which we, as a Free-trading nation, appear to give much and receive little. Hence people are misled into a hazy conclusion that the individual bargains made under such a treaty, or under what is called one-sided Free Trade, are in themselves one-sided and unfair, and that in the dealings between the merchants of a Free-trading nation like ourselves and those of a Protectionist or semi-Protectionist nation like the United States or France, the Protectionist tariff causes our merchants to have the worst of the bargain. But this is pure delusion, and confusion of thought. The American farmer is not enabled to drive a better bargain with the English manufacturer by reason of the Protectionist tariff; on the contrary, of the two he is the one more hampered by it. The relaxation of that tariff would be an immense boon to the Englishman, but it would be a still greater boon to the American. The evil of Protection is not that it benefits one party to a trade bargain at the expense of the other, but that it injures both, and prevents trade bargains from being made.

CHAPTER XII.

EFFECTS OF AN ENGLISH TAX ON AMERICAN CORN ON AMERICAN COMPETITION WITH ENGLISH MANUFACTURES.

Tax on American Agricultur would driv America into Manu facturing competi- tion.

BUT let us follow the consequences of a tax on American food a little farther. America has an abundant supply of the most energetic and versatile labour in the world, and also an abundant supply of capital. At present this labour and capital are largely employed in providing Europe, and England especially, with food, because that is the most profitable way in which American labour and capital can be employed. But we are asked to make this employment less profitable for her, and to deprive her of her present market for her enormous agricultural produce. What would be the natural result of such a step? Why, to divert her energy and capital from providing the food we want to buy from her, and to drive it into providing the manufactures which we want to sell to her. At present, in spite of, possibly in consequence of, her system of Protection, the sale of her highly forced and highly priced manufactures is in a great measure confined, or nearly confined, to her own subjects, and she is no rival to England in our own markets, or in the markets of the world; whilst even in her own markets our manufacturers compete with hers. In 1880, we exported to her 24½ millions of manufactures, and imported from her 2½ millions. Out of her total exports, 10 per cent. are manufactures, and 90 per cent. food and raw materials, chiefly agricultural produce. But if we deprive her of her market for agricultural produce, we shall drive her into manufacture, and there is no saying how formidable a rival she may become.

At the time of the repeal of the Navigation Laws, all the best judges thought that the carrying trade of the world must pass into the hands of the Americans. It has passed into our own, as I shall show below (Chapter XXXIII.). There are probably several causes for this; but the most important to my mind is, that America has found in her internal development, and especially in her farming, and in the railways which farming creates and sustains, an industry more

profitable to herself and to the world, than the ocean carrying trade. To us the ocean carrying trade has been the more profitable employment. She has done the farming, and we have done the ocean carrying, to the great advantage of both. If we cripple her farming, there is no saying that she may not take from us our ocean carrying.

CHAPTER XIII.

OBJECTION THAT WE ARE PAYING FOR AMERICAN CORN BY RECEIVING BACK INVESTMENTS.

If America owes us money she must repay, whether we buy her corn or not.

"BUT," say Mr. Farrer Ecroyd and his friends, "granting that America must be paid in some way for the food she sends us, she is paid not in goods, but by setting against it the loans we have made her. In this way she is not only paying interest upon them, but is repaying to us our capital, upon which consequently we are living." The latter assumption, viz., that America is sending back capital to us, is utterly without proof, and is probably false, as I will show below (Chapter XXVI.). The statement that she sends us food in payment of interest on what we have lent her, is to a great extent true. But I am not concerned at present with the truth or falsehood of these statements; I only mention them for the purpose of showing that they are *nihil ad rem.* If America owes us money, which, or the interest on which, she is now repaying in corn, she will equally owe us this money if we transfer our custom for corn to Canada, and if she does not repay us in corn, she must repay us in something else. That something else will be something which, *ex hypothesi*, we want less than corn; it may, as I have pointed out, be manufactures or freight, which will compete with our own.

Absurdity of supposing that interest on Foreign Investments supplies luxuries *to the rich.*

And here I have to notice a so-called argument, which, so long as it was confined to certain anonymous writers, I was disposed to pass over as too absurd to be refuted; but which, when appearing under the respectable name of the Member for Preston, calls for a passing notice. It is as follows: "But even if it could be proved, as it certainly cannot, that all this *enormous* disproportion of imports has been paid for out of our *income*, and without any diminution of our investments, that

would still do nothing to reassure our working classes as regards the interests of labour. They are concerned in the acquisition of imports of food in exchange for the production of their industry, rather than in payment of income due to us from our foreign investments. For, suppose such investments to be increased fivefold; suppose England to contain multitudes of well-to-do people who owned them, and lived upon the income paid to them, let us say in the shape of food from America, and clothing, furniture, and luxuries from France; is it not evident that the balance of trade might be satisfactorily accounted for by financiers, while our agriculture and manufactures were alike languishing, and every year affording less employment, and at lower wages, to fewer workmen? English land might he forced out of cultivation by American competition, or turned from arable to grass to such an extent as to more than half depopulate our rural districts and country towns, and drive the people into the larger cities and manufacturing districts, or to emigration. The demand for manufactures in the agricultural districts would thus be seriously reduced, whilst the free import of French manufactures and luxuries—preferred by the ever-increasing class who lived on foreign incomes—would curtail the employment of our artisans, whose wages would be still further reduced by the competition of the displaced agricultural labourers.

"In one word, our imports would be acquired more and more in payment of interest or rents due from abroad to owners of foreign investments living in this country, and less and less in exchange for the handiwork of our industrial classes, and so the former would increase whilst the latter would be driven first to lower wages and diminished comforts, then to destitution, and finally to emigration without resources and under the most painful conditions."

I find it really difficult to understand this. What is it that we are importing as interest on our investments, especially from America? Food and raw materials constitute nine-tenths of our imports. How does Mr. Ecroyd suppose that these are consumed? How much of them does he think the wealthy and the idle put into their own stomachs or on their own backs? And of the manufactures imported, how many are used by the working classes? Let any one cast his eye down the list of British imports, and he will see that there is not one of the articles mentioned in the list which is not either an article to

be used in our own industries, or an article to be used by th
employed in our industries. Silk, woollen and cotton ma
factures, gloves, dressed skins, and wine are almost the o
articles in our list of imports which are not simple articles
food or materials of manufacture. Assuming, which is a p
posterous assumption, that the whole of these are articles
luxury, neither used by nor giving employment to the worki
class, how much do they amount to? To about 25 millic
out of 410 millions of imports. The question raised by M
Farrer Ecroyd is not, it must be remembered, a question
whether these imports are spent on reproductive employme
but a question of whether they are used by workers or by idle
If he is right, they are used by idlers; and our workers are
be driven to destitution and emigration by the loss of wag
and employment. Now, even if employed in unproducti
labour, they will not be employed in support of idleness. B
can it be doubted that the great bulk of these enormous impo
is employed in supporting reproductive labour? Every pou
of raw material, every article which requires further labour
complete it, is imported for the purpose of employing labo
upon it. The food, the clothing, the common luxuries, t
coffee, tobacco, sugar, are consumed in supporting and maki
tolerable the lives of millions of artisans in our factories,
labourers in our fields, of workmen who are erecting, extendi
and improving our railways, our docks, our mines, our shi
our dwellings, our shops, our schools, our churches, our tow
They are employed in extending our reproductive powers, a
in making life comparatively healthy and pleasant, not for t
wealthy few, but for the toiling many. The contrast betwe
wealth and poverty is sad enough, and the excesses of luxu
are lamentable. But the proportion of our national income
of our imports which is consumed in luxuries is a mere tri
compared with that which goes to support useful labour. T
fear that the payments which foreign countries are now maki
us as a reward for former labour will make us poorer a
render future labour unproductive, is the wildest of many wi
chimeras.

The recent depression has hit the rich and spared the poor.

The very contrary is notoriously the case. The recent depr
sion in business has been markedly distinguished from earli
commercial depressions by the fact that it has affected prof
far more than it has affected employment, wages, or the w
being of the working classes. Millowners, coalowners, ir

masters, landowners, and farmers have suffered more or less severely. But the mill-hand, the miner, the workman, the labourer, have suffered comparatively little, as is shown by a comparison of the state of the country with its state at former periods of depression, and by the infallible tests of pauperism and of consumption. Capital has borne the brunt of the blow. By the simple expedient of leaving things alone, and repealing the wicked and pernicious laws which made scarce the food of man, and curtailed the rights of labour, we have advanced one step towards the millennium of the economist, the politician, and the Christian philanthropist, viz., the more equal distribution of good things. The workmen are better off than they were, and, as the action of the Trades Unions shows, they know the reason why.

Transfer Trade to Colonies will not prevent vestment abroad.

But even if investments abroad were the evil Mr. Ecroyd imagines them to be, the transfer of our custom from foreign countries to the colonies would do little to remove it. For we are now *wasting* (as the Fair Traders would say) our surplus earnings largely in the colonies; we are lending to Australia and Canada as we have in former years lent to the United States. Our investments in Canada are said to amount to 70 millions; our investments in Australia to 120 millions, and to be increasing at the rate of 10 millions a year, a fact which accounts for the increase of exports to those colonies. But the time must soon come when those colonies will be doing as much to ruin us by paying us interest in the shape of imports, as, in the opinion of Mr. Farrer Ecroyd and his friends, the United States are now doing, and then what is to become of us? If such a conclusion drives Mr. Farrer Ecroyd to despair, it is some consolation to think that it will carry comfort to the heart of another great Imperialist, Sir Julius Vogel, who also would like to see us exercise a large control over the colonies, but who wishes us to do so in order, *inter alia*, to encourage those investments of English capital in them which are the terror of the Fair Traders.

CHAPTER XIV.

ASSUMING THAT WE MAKE A TARIFF BARGAIN WITH THE COLONIES IN RETURN FOR THE TAX ON FOREIGN CORN, WHAT WOULD BE THE RESULT?

WE have hitherto considered the effect of a differential tax on foreign articles of food pure and simple, and without reference to any reciprocal benefit to be derived from action to be taken by the colonies. But it is possible, for the language of the Fair Traders is very vague, that they mean colonial articles of food to be admitted free only from those colonies and possessions which admit our manufactures free, and that they mean to make the differential duty a means for driving a tariff bargain with the colonies. If so, an important question of principle arises, viz., whether it can be worth our while at any time, or under any circumstances, to impose a duty on imports, which will do us an immediate injury, in order that we may have a weapon wherewith to fight foreign countries or British colonies in making tariff bargains. This question is raised explicitly by the further proposal of the Fair Traders to tax foreign manufactures, and I propose to consider it when dealing with that proposal in the Second Part of this pamphlet. If it is to be answered in the negative, as I am sure that it is, the proposal to drive a tariff bargain with the colonies by the bribe of a differential duty on their competitors, must fail at once. But I do not propose to argue this large question here, and will assume that it may be answered in the affirmative. Making this assumption, let us consider what sort of bargains we can possibly drive with the colonies, and let us consider, first, what we must give and what we can get; and then, secondly, what they must give and what they can get by such a bargain.

First of all, then, as our foreign food supply is to be transferred to the colonies, and as they now only supply us with one-sixth of it, we must cut off five-sixths of our present sources of supply, and trust to their being made up by countries which now only furnish one-sixth of it. What the effect of this may

be on the quantity and price of food and the welfare of the people it is frightful to consider.

Tariff bargains with Colonies

Secondly, we shall lose the whole of the custom for our own produce arising out of purchases of food in foreign countries, and, as they amount to 138 millions a year, this is a scarcely less serious consideration.

Thirdly, we shall cripple our powers of production by making food dear, and be less able to compete for custom in neutral markets.

Fourthly, we shall run a very serious risk of retaliation by foreign countries. If we say to France, or to America, "We will not buy corn, or meat, or butter, or cheese, or eggs from you," they will retort by refusing to buy cotton, wool, silk, and iron from us; not only shall we ourselves cut off a very large proportion of our foreign exports, but we shall tempt foreign nations to cut off the remainder.

Taking the average of the last fifteen years, our trade with foreign countries has been rather more than three-fourths of our whole trade, and our trade with British colonies and possessions has been less than one-fourth of it.

Our whole trade, imports and exports included, is 700 millions a year. We are, therefore, asked to cripple and endanger three-fourths of this, or a trade of more than 500 millions a year.

What are we to get in exchange?

What do we Get?

First, we shall get so much custom for our goods in the colonies as arises from the additional purchases of food we make in the colonies. But, as the colonial supply of food will be much less than that which we now get from foreign countries, and as its price will be much higher, this market must be much less valuable than that which we give up. So far, therefore, we are large and pure losers. But we shall get, in addition, whatever advantage is to be gained by the reduction our colonies may make in their tariffs in return for what we do for them.

What will this amount to?

Now, in the first place, we may eliminate India. The Indian tariff we practically make ourselves. We have determined, rightly or wrongly, that she shall not levy duties on our manufactures. Her consent is not asked; we need no bargain for the purpose. We may, for similar reasons, eliminate all the Crown colonies. In short, the only colonies with which we can make bargains are the self-governing colonies in British North

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America, in Australasia, South Africa, and some of those in the West Indies. But of these there are many which now levy very small duties on our manufactures, and those by way of Revenue rather than of Protective duties. With regard to these, all that we can expect to get by way of a bargain, is that their duties shall not be raised, and this is a prospective and contingent, not a present and certain, benefit. In fact, the only colonies in which any large reduction of duties is possible, are Canada, Victoria, Western and South Australia, Queensland, Tasmania, and New Zealand. New South Wales, one of the most important of the Australian group, is free, or nearly so, already. But let us take the whole of our colonies in British North America, in Australia, and in South Africa, and suppose that throughout them all it were possible to get a reduction of duties, what would this advantage amount to? The trade of the United Kingdom with the whole of these colonies, taking, as before, an average of fifteen years, is less than 10 per cent. of our whole external trade; not more than our trade with Germany; not so much as our trade with France; little more than half as much as our trade with the United States; about one-eighth of our whole trade with foreign countries. If we take those colonies alone which now levy considerable duties, the trade with them will not be more than one-half this amount. Consequently, it is only about 5 per cent. of our whole trade for which we can expect any substantial benefit by a tariff bargain with our colonies, whilst the trade which we shall injure and cripple by such a bargain is 75 per cent. of that trade.

I think we may, then, draw two conclusions, that it is not worth our while to make any such bargains; and, secondly, that if we were to make any such bargains, it would be madness to adhere to them, if foreign countries were to offer to reduce their tariffs on condition of our repealing the differential dues on their produce which such a bargain implies.

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Now let us look at such a bargain from the colonial point of view. What would they gain and what would they lose? I think we must admit that if England gave them the monopoly of her market for food they would gain considerably. Canada, Australia, and India would send us much more corn if United States and Russian corn were excluded from our ports. India would send us more tea if China were out of the market, and the Cape and Australia would send us more *second-class* wine if we could not get good wine from France

or Spain. Even this would not be an unqualified advantage to them. The production of the world would be diminished, and they would bear some share of the loss; their people would be diverted from doing what they can do best, to the providing of those things which the English market demands, and India certainly would lose some of the trade which, as we have seen, she now does directly or indirectly with the United States. But it is idle to talk of such proposals as these. England certainly will not contract her sources of supply to such an extent. Nor will she make a sacrifice at all where she gets nothing in return. She can only get a return from those colonies which now impose restrictions on the import of English goods. We may, therefore, as before, eliminate India and other colonies or possessions which are governed from home. The only colonies which can make a bargain are the self-governing colonies, and those only amongst them which now levy duties on English goods. That they might gain something immediately by the bargain, I have admitted. What will they have to give up? First of all, there are those colonies which only levy a small duty, say 5 to 10 per cent., with the *bonâ fide* object of raising revenue, and without any thought of Protection. To these colonies, with but little realised property, and with an organisation very different from those of an old country, it would probably be a very serious financial difficulty to raise a revenue in any other way—a difficulty which might in itself counterbalance any gain they might derive from our differential tariff. Those colonies, again, such as Canada and Victoria, which levy heavier duties, and which levy them avowedly for purposes of Protection, would have to make a serious surrender. They would, as Free Traders, be really benefitting themselves by reducing their tariff in our favour; but in their own opinion, and in the opinion of the Fair Traders, they would be doing themselves harm. They might be tempted to do it, but in doing it they would feel they had made a concession to us, and we should be obliged to accept it as a concession.

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What would they give?

But suppose the concession made and the bargain completed. Suppose that we have excluded the United States corn from our market, and that Canada has admitted English goods freely to her market, what will be the condition of things? The United States may leave things alone. In that case, as I have shown above, England will find herself suffering from insufficient supplies, from a contracted market for her

What would be the position of the Colonies when the bargain is made?

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goods, and from the new competition in manufactures which she will have forced upon the United States. She will be discontented and disgusted with her bargain, and with the other party to it. Or the United States may retaliate by prohibiting English goods. In that case England will be still more discontented and disgusted. Or the United States may do that which it is the desire and object of every honest Fair Trader and Reciprocitarian to make them do—they may offer to throw open their market to English goods on condition that England will again throw open her market to United States corn. In that case England will be more than ever disgusted if her bargain with Canada prevents her from accepting their offer. Indeed, it is scarcely within the limits of possibility that such a bargain could under such circumstances be kept. That England, which now does a trade of 145 millions a year with the United States, even under the present Protectionist tariff, and of 22 millions with Canada, should refuse the proffered trade of a country which has 50 millions of people and the finest soils and climates in the world, for the purpose of nursing a trade with a country which has only 4 millions of people and a far inferior soil and climate, is too much to expect of human nature. And if the bargain is not kept, or if the terms of the bargain with Canada are such as to allow England to accept the United States' offer, what will be the position of Canada when she is thrown over, and the United States are again admitted to free competition in the English market? She will have been misled into an unnatural course of industry and expenditure, and she will be left to her own resources when it suits the convenience of England so to leave her. The Fair Traders have some hazy inkling of this difficulty, for they propose that the fixed duties on foreign food are to be steadily maintained for a term long enough to develop our own instead of foreign territories. But do they really think that this is possible; that our own people would submit to years of privation in order to develop a possible future in Canada or Australia when that privation might be at once changed into plenty by admitting foreign produce? Are any such arrangements as these likely to stand? Are they desirable in the true interests of Imperial union, not to mention the commercial interests of the parties concerned? Are they likely in the end to promote that good feeling between England and Canada which it is the *professed* object of all of us to encourage? Are they not much

more likely to cause estrangement, recalcitration, and disruption? To such questions there can be but one answer. We may be quite certain that any forced attempt at unnatural union, any unbusiness-like sacrifice of interest to sentiment, will only destroy those feelings of kindness which it is the object of all to promote.

Any forced attempt at Union must lead to Disunion.

I have taken the case of Canada as the most striking illustration of the fatal difficulties which would attend any such tariff bargain as we have been considering. Similar arguments apply to the other self-governing colonies, and it is unnecessary to repeat them. It seems to me abundantly clear that no tariff bargain with any colony which has for its condition a differential tax on foreign produce imported into England is for a moment to be thought of.

CHAPTER XV.

CAN WE MAKE COMMERCIAL TREATIES WITH THE COLONIES SUCH AS THOSE WE HAVE MADE WITH FRANCE AND OTHER FOREIGN COUNTRIES?

Can we make Commercial Treaties with Colonies, such as the French Treaty?

A CUSTOMS union of the empire is then impracticable. An attempt at a closer connection with the colonies, to be effected by imposing differential taxes on foreign produce, is not to the real interest either of England or, in the end, of the colonies, and it is much more likely to lead to separation than to union. There is yet a third method of improving commercial relations with the colonies, which is scarcely suggested in the Fair Trade programme, but which may deserve a few moments consideration. It is that of a commercial treaty such as we have made with France and other foreign nations; a treaty in which we impose no differential duties, but only reduce our own duties, and reduce them for all equally.

Narrow limits within which such Treaties would be

Here, again, we may at once dismiss from consideration all the colonies or possessions which are practically governed from home; and these, including India, will, so far as trade is concerned, amount to one-half of the whole.

Our whole trade with our colonies is, as I have shown

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above, not one-fourth of our whole trade, and it is therefore only one-eighth of our whole trade that can possibly be affected by such a treaty. Practically it is much less; because we do not want commercial treaties, or, indeed, alterations of any kind, except with those colonies which levy sensible duties on our goods. The whole affair is, therefore, of less moment to us than it might at first sight appear. Now, with respect to the self-governing colonies, we have, in giving them self-government, left them free to impose what duties they please, with one restriction—viz., that they shall not make their duties differential; that they shall, if they place Customs duties on the produce of one country, place the same duties on the produce of all. But even this restriction has been surrendered on two special occasions. Canada, or rather the British colonies in North America, were in 1854 allowed to make a Reciprocity treaty with the United States,* by which a large number of articles, the produce of Canada and of the United States respectively, were admitted duty free into each of those countries, although the same goods remained subject to duty when imported into those colonies from the United Kingdom, or from foreign countries other than the United States. The denunciation of this treaty by the United States was one of the causes that led to the present Protectionist tariff in Canada; and the resumption by the United States of the policy which dictated that treaty would, no doubt, lead to the resumption of a similar policy by Canada. Another case, rather less striking, because it was between different colonies, and not between a colony and a foreign nation, was that of an arrangement between New South Wales and Victoria concerning the Customs duties levied on the boundary between the two colonies in the basin of the river Murray. In these cases, the principle of equal treatment gave way to the still more important principle of self-government, and to the demands for freedom caused by local contiguity. And, no doubt, a similar course must and will be followed when similar cases occur again, as they are sure to do. It may be all very well to say, as a matter of theory, that when nations are divided by great natural barriers, such as hundreds of leagues of sea or mountain, there is all the more reason for abolishing artificial barriers. But this is not the way in which the facts present

No reason against such Treaties in existing Imperial relations, for the self-governing Colonies are independent.

* Treaty ratified 9th September, 1854.

themselves to the ordinary mind. I feel the need of dealing freely with my neighbour across the street long before I understand that the same need exists for freedom in my dealings with an alien in China. It was by the obvious absurdity of an artificial barrier between Surrey and Middlesex that Cobden brought home to men's minds the much less obvious absurdity of an artificial barrier between England and France. If, therefore, any strong case arises again, such as an approach to commercial union between Canada and the United States, or between any of the Australian colonies and their neighbours, we may take it for granted that the one principle of equal treatment, which we have hitherto maintained, will give way, and that in this, as in other matters of taxation, the colonies will exercise and enjoy complete self-government.

Commercial Treaties with Colonies.

In short, the colonies in question are, so far as tariffs are concerned, in as free and independent a position as foreign nations; and if we are to make commercial treaties with foreign nations, there seems to be no *primâ facie* reason why we should not make similar commercial treaties with our self-governing colonies. In making such treaties we should, of course, be governed by the same rules as have governed us in making treaties with foreign countries. We should give no such differential treatment as is suggested by the Fair Traders, and we should make no reductions of duties which we do not consider to be for our own advantage.

But are there any Duties on Colonial Produce which we could give up?

The question then arises, whether there are any duties which we now levy on colonial produce which we could reduce; remembering that if we reduce them for the colonies we must reduce them for other countries also. Now, what are the products of the self-governing colonies which we tax? The only articles of this description in our tariff are cocoa, coffee, chicory, dried fruit, tea, tobacco, wine, beer and spirits. The exports of these articles from the colonies, according to the latest returns, are as shown on the following pages, 64, 65.

Quantities and Value of certain Articles of Domestic Produce, exported from the principal Colonial and other Possessions of the United Kingdom, according to the latest Returns.

—	Cocoa and Chocolate.		Coffee.		Chicory.		Fruits.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
India	—	—	40,231,856	1,626,747	—	—	10,538,192*	29,233*
Ceylon	13,594	350	73,898,922	3,340,995	—	—	—	6,286†
Mauritius	—	—	844	38	—	—	—	—
New South Wales	—	—	—	—	—	—	—	90,381‡
Victoria	16,409	1,095	133,233	7,578	2,979	76	—	9,672‡
South Australia	—	—	—	—	—	—	—	7,980
New Zealand	—	—	—	—	—	—	—	—
Queensland	—	—	—	—	—	—	—	4,244‡
Natal	—	—	1,120	41	—	—	—	599§
Cape of Good Hope	—	—	—	—	—	—	65,301	1,249‡
Canada	—	—	1,475	65	—	—	—	72,446
Newfoundland	—	—	—	—	—	—	—	3,381
Jamaica	373,397	11,993	10,188,864	254,722	—	—	—	71,851‡
Barbadoes	—	—	—	—	—	—	—	—
Trinidad	10,999,385	302,358	35,130	1,039	—	—	—	14,193†
British Guiana	—	—	5,398	176	—	—	—	3,745†

* Including vegetables. † Cocoanuts. ‡ All fresh fruit. § Chiefly fresh fruit.

Quantities and Value of certain Articles of Domestic Produce, exported from the principal Colonial and other Possessions of the United Kingdom, according to the latest Returns (continued).

—	Tea.		Tobacco.		Wine.		Beer.		Spirits.	
	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.	Quantities.	Value.
	Lbs.	£	Lbs.	£	Galls.	£	Galls.	£	Galls.	£
India	38,174,521	3,051,020	11,412,095	129,810	—	—	—	—	—	—
Ceylon	162,575	15,064	4,702,968	105,087	—	—	—	—	147,710	13,701
Mauritius	—	—	—	—	—	—	—	—	848,130	38,445
New South Wales	—	—	2,416	64	27,584	7,359	28,742	2,240	113,265	12,665
Victoria	—	—	438	67	7,841	3,536	32,329	3,022	1,883	756
South Australia	—	—	—	—	29,800	8,481	26,171	2,109	350	112
New Zealand	—	—	—	—	—	—	1,443	216	—	—
Queensland	—	—	—	—	693	557	—	—	58,659	7,762
Natal	—	—	—	—	—	—	1,220	158	4,994	548
Cape of Good Hope	1,217	20	—	99	64,158	13,203	30	5	997	352
Canada	—	—	419,323	8,597	141	37	53,219	3,948	12,488	2,507
Newfoundland	—	—	—	—	—	—	—	—	—	—
Jamaica	—	—	45,501	6,314	1,698	349	—	—	1,561,224	209,092
Barbadoes	—	—	—	—	—	—	—	—	1,440	129
Trinidad	—	—	—	—	—	—	—	—	28,793	2,510
British Guiana	—	—	—	—	—	—	—	—	2,068,920	184,741

India and Ceylon may be excluded, for the reasons above given. I may also remark that there are large re-exports of tea from New South Wales and Victoria, which are, no doubt, re-exports of Chinese or Indian imports, furnishing additional evidence of the circuitous nature of the trade of the East, to which I have adverted above. On spirits, England is not likely to make any reduction. Omitting these, the striking feature in this scanty list is the total absence of any article imported from those colonies with whom we might wish and be able to make a tariff bargain—viz., the North American and Australian group. Indeed, the only article in the list which affords any scope for an alteration, which the colonies would accept as a boon, is wine. We know from the evidence before the Wine Duties Committee that, both at the Cape and in Australia, the high duty of 2s. 6d. per gallon on wines containing 26 degrees of spirit, when compared with the duty of one shilling on French wines, is felt as a grievance. Whether much wine from these colonies would be imported if the duty were reduced is doubtful, considering the cost of labour in the colonies, and the preference in this country for French, Spanish and Portuguese wine. Under these circumstances, whilst admitting fully the expediency of removing any grievances which these colonies may have in the matter of the wine duties, we may conclude that these duties are not of sufficient importance to afford the means of making tariff bargains with them.

Putting wine aside, it is quite obvious, then, that we cannot with our present tariff offer any reduction to the self-governing colonies which they would accept as a boon, and that we are unable, therefore, to make tariff bargains of any kind with them.

But there is another consideration of some importance, since it illustrates the peculiarity of our commercial relations with our colonies.

It is not to be expected that we should conclude any such tariff bargain with Canada without a most favoured nation clause. That clause is the alpha and omega of all our commercial treaties. It is the one point which we retain when all others fail; the feature on which their upholders mainly rely; the feature which redeems them in the eyes of those who otherwise dislike them. To make a tariff bargain with Canada without stipulating that we shall treat one another as well as we *treat the rest* of the world, would be an admission that we are,

Commercial Treaties with Colonies

or are likely to be, on less intimate terms with our own colony than with any foreign nation. And yet such a clause might give rise—nay, would be almost sure to give rise—to dangerous differences. Canada and England are separated by the Atlantic; Canada and the United States are distinguished rather than separated by a bridged and navigable river or by an imaginary line. Trade between England and Canada has to overcome natural difficulties; trade between Canada and the United States would be unchecked but for artificial difficulties. The people of Canada and of the United States are similar in race, in language, and in habits, and are becoming more so daily. Temporary and accidental circumstances have made Canada and the United States assume a hostile commercial attitude; but their disputes are the quarrels of lovers, and it is pretty certain that sooner or later the people of the two countries will desire to trade freely with one another, to the infinite advantage of both. It has happened before, and it will happen again. When it happened before, Canada made a treaty by which United States goods were admitted into Canada on better terms than English goods, and England allowed—indeed, could not help allowing—the treaty. There is nothing to prevent such a thing happening again. Indeed, it is of all things the most probable. What, then, would be the feelings excited in Canada if a clause in her tariff bargain with England prevented her from making with the United States a bargain of ten times more importance to her real interests than any bargain she could make with England? Would not such a clause go far to make her seek for complete separation?

Similar difficulties might well arise in Australia, if we were to attempt to get any one of her colonies to make a separate bargain with us. Their closest natural commercial relations are with one another, and these they will probably prefer to relations with the mother country. Nay, there have been suggestions of special treaties between some of these colonies and countries in America.

I have dwelt upon these points, not because I wish to exaggerate or anticipate difficulties which may never arise, but to show how easy it may be, in trying to draw bonds closer, to strain them to snapping. Let us by all means have the utmost possible commercial connection with our colonies, but no such tie as may be felt by either party as a grievance.

CONCLUSIONS OF PART I. AS TO A NEW COLONIAL POLICY.

The English Government can do little or nothing to extend Colonial Trade.

THE general conclusion to which these considerations lead us is that there is little to be done by legislation or treaty to bring us into closer commercial relations with the colonies. Except, perhaps, in the trifling matter of the wine duties, we have already done all that we can to clear the way on our side. It is for the colonies to play their part. Many of them are doing so fairly enough. The others will do so when they feel it to be their interest, without being specially bribed. It is not in our power to do more. Nor is this to be wondered at, when we consider that all which a Government can really do for trade and manufacture is not to impede it.

Governments can check but cannot create Trade.

All that Fair Traders and Protectionists are urging as to the duty of Governments in providing markets for their people, and other nonsense of a like kind, really means, when it comes to be sifted, that Governments are to check and prevent trade under pretence of guiding it; that they are not to allow merchants and manufacturers to do that which is their interest to do. Such a course it is contrary to our commercial interests to enter upon, and it is much more likely to weaken than to strengthen the political connections of the different parts of the empire.

Part II.

RETALIATION.

CHAPTER XVI.

RETALIATION ON MANUFACTURED GOODS, AS PROPOSED BY FAIR TRADERS, IMPOTENT AND SUICIDAL.

English Retaliati on Forei Manufac tures Impoten and Suicidal.

THE second of the two great principles of the Fair Traders is Retaliation. They desire to impose retaliatory duties on the goods of foreign countries which do not admit our goods duty free.

These duties are not to apply to our food imports, which have been dealt with already, nor to imports of raw material, but to manufactures only. It is a sufficient practical answer to a proposal of this kind that the weapon is in our hands absolutely inefficacious. Of our imports, ninety per cent. are estimated to be raw materials or food, and ten per cent. only what are called manufactured articles. If we take particular nations, the case is stronger. Our trade with the United States is one-sixth of our whole trade, and their tariff is the most hostile of any; whilst the interest which is affected by their competition is our most suffering interest. But out of their imports into the United Kingdom, which exceed 100 millions, about 2½ millions only are manufactures; whilst out of our exports to them 24½ millions are manufactures. Will they not laugh at us? or, if not disposed to laugh, will they not treat us as they have treated the Canadians, and place still further obstacles on our imports?

To France we exported in 1880 upwards of 12 millions' worth of manufactured and half-manufactured goods; 2½ millions' worth of raw material; and one million's worth of food. From France we imported 23 millions' worth of manufactured and half-manufactured goods, 3 millions' worth of raw materials, and *nearly 15½ millions'* worth of food. Here there is more

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retaliate upon than in the case of the United States, but the proportion of manufactures which we send to France is greater than the proportion which she sends to us. We send her little but manufactures, whilst she supplies us largely with food. To Germany we exported in 1880 nearly 14 millions' worth of manufactured and half-manufactured goods, less than 2 millions' worth of raw materials, and less than 1½ million's worth of food. From Germany we imported in 1880 a little over 4½ millions' worth of manufactured goods; 3½ millions' worth of raw materials, and 16¼ millions' worth of food. If we are to play a game at who can do most to stop each other's manufactures, it is clear that Germany will have the best of the match. What is true of these countries is true of others. We are *par excellence* the manufacturing country, and for us to play the game of who can best destroy manufacturing industry is simple suicide.

CHAPTER XVII.

PROPOSAL TO TAX MANUFACTURES AND LEAVE "RAW MATERIAL" FREE—DIFFICULTY OF THE DISTINCTION.

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BUT when we are told that raw material must be admitted free, and that manufactures are to be taxed, I should like to ask what distinction can be drawn between these two classes of goods which would justify a different treatment? When I look down the list of so-called raw materials, I see nothing which is not both the produce of some previous labour and the means or material of some further labour; and when I look down the list of so-called manufactured articles, I find the same thing. I am unable to draw any line between the two, or to find any principle by which to distinguish them.

If the quantity of labour employed in producing the article is to be the test, the labour employed to produce so-called raw materials may, and often does, far exceed the labour necessary to turn that raw material into a manufactured article. There may be more labour in getting coal, or in growing wool, than in spinning or weaving. If we are to be guided by the [illegible]eration of the article as a means or a stimulus towards further

production, I am unable to see how the raw produce of the soil operates for this purpose more directly or more effectually than the article into which it is subsequently converted by human labour. I do not see why the alkali out of which glass or chemicals are made is not as efficient a means of production as the salt out of which the alkali is made. Let us take any list in which an attempt is made to distinguish between raw products and manufactures. We get into difficulties at once. The alkali, for instance, to which I have referred, heads one list of manufactured articles, but it is chiefly useful as a material to be employed in subsequent manufactures. "Apparel and haberdashery," which come next, are, no doubt, manufactures as complete as it is possible to conceive; but even here the boots of the navvy, the shirt and apron of the operative, the blouse of the French labourer, the jersey of the sailor, or even the neat cloth coat and shirt of the clerk or manager, are as much the means and essential conditions of further production as the stone, the iron, or the wool which these persons are employed in manipulating or disposing of. Horses come first in one list of "raw produce;" but a farm horse is at once the final product of skill in breeding for generations, and is a direct instrument in further production. "Clocks" come first in another list of manufactured articles, and there is certainly no more finished article of human ingenuity than a clock; but is not a clock the *sine quâ non* of every place where productive labour is at work? Is it not the great economist of time, which is the principal of all factors in production? I might go through the list in the same way, pointing out how each article of large or general use is, on the one hand, the result of previous labour, and the means for further labour. Nay, the same thing is true of food also. Food is the means of keeping the human machine going, without which there can be no productive labour; it is the most obvious, if not the most important, of raw materials; it is to the man and woman what the coals are to the steam-engine. We admit this when we class food and raw materials together as articles which are not to be taxed, or which are to be taxed more sparingly and cautiously than other things. But, like other raw materials, food is not really more necessary to further production than other articles of general human use. The house in which the artisan lives, the clothes which he wears, the tools which he uses, *are no less* means and instruments in making the artisan

Distinction between Raw Material and Manufactures. Is it Tenable

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which he produces for sale than the food which forms his blood and muscles, the coal which drives his steam-engine, or the material of fibre, of wood, or of metal which he is converting into use. We may go farther, and say that the so-called luxuries, the tea, sugar, and tobacco, which make life tolerable to himself and his children, are also instruments by which his powers of production are increased. Nay, we may assert, with the most exact truth, that the wine which refreshes the brain of the man of science, the statesman, or the physician, is in the highest degree conducive to the production of wealth. All active and useful human life is one cycle of unintermitted and contemporaneous production and consumption—of production, in order to procure articles of consumption; of consumption, in order the more effectually to produce. There may, of course, be useless and even mischievous consumption of excessive or pernicious luxuries, but these are, economically speaking, a trifle in the vast mass of human consumption; and there may also be foolish and ill-directed production. But, generally speaking, all human consumption is a direct means of production; and this makes me doubt whether there is any real sense in the commonly-received doctrine that it is better, on economical grounds, to tax articles of consumption—that is, articles which are in a fit state to be at once eaten, worn, or otherwise used by man—than articles which he has to do something more to before he can use them. But this is, I am glad to say, a controversy on which I need not enter; from the Fair Traders I am too glad to accept the admission that raw material is not to be subject to a retaliatory duty; and only mention the point now, because, if we admit that manufactures are to be taxed, we may find it difficult to stop there.

CHAPTER XVIII.

OTHER PROPOSALS FOR RETALIATION.

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THE Retaliation of the Fair Trade League is, as we have seen, ridiculous from its impotency; but this does not show that all Retaliation would be inefficient, or, if efficient, undesirable. *Proposals for* Retaliation, if once adopted, will not stop where

the Fair Traders leave them, and there are arguments in favour of the principle of Retaliation which require a more complete answer than is to be found in the impracticability of a given plan. I do not know that these arguments have ever been more fairly, clearly, and vigorously stated than by Lord Salisbury, in his recent speech at Newcastle, on the 12th October, 1881. He said:— Lord Salisbury Newcastle.

"I now only wish to say a word with respect to a matter which, perhaps, through being exciting, occupies some considerable portion of public attention at the present moment. It has been said that we of the Conservative active party are anxious to return to the state of things existing before 1840 in respect to fiscal matters, and sundry terrible consequences have been deduced from the assertion. I, for one, do not possess the desire, nor do I think that such a return would be for the public welfare; but it does not do for the Government to ignore the commercial difficulties under which the country labours by the simple device of accusing their opponents of a desire to return to the state of things to which I have referred. Whenever the evil of the present state of things is pointed out to them, they, instead of replying, call us lunatics, or beat the great tom-tom of Free Trade in order to drown our voices. It is undoubtedly the fact, and I do not think that any one can traverse the statement, that in one respect the apostles of Free Trade thirty-five years ago made a gigantic miscalculation when they said that if the country adopted their principles the rest of the nations of the world would follow their example. (Cheers.) It was repeatedly held out, both by Mr. Cobden and Sir Robert Peel, and undoubtedly it influenced many minds at the time. I am very far from stating that as their only reason. I do not mean to say that their policy would have been different if they had had a different belief; but they had the belief, and took every opportunity of communicating it to others, that our example would be followed by other nations of the world. That, I take it, is an undoubted fact in history. Well, that has not been the case. The third of a century has passed by, and all the nations by which we are surrounded have not only not become more Free Trade, but on the whole have become more Protectionist. America, I believe, is more Protectionist; the Protectionist feeling is rising in France. Both of them, mind you, are complete democracies, so there is no pretence for saying the

this particular form of opinion has been imposed by the ruling classes. They are countries where it is undoubtedly the sentiment of the people, and nothing else, which governs the conduct of the Government; and in both these countries the feeling of Protection has increased, and is increasing. In Russia, on the other hand, a despotism of the closest type, still you have the same phenomenon. A feeling of Protection is increasing, and the measures of Protection are multiplying. In a kingdom like Germany, with certain constitutional liberties, but ruled undoubtedly by the acutest brain that this century has seen in Europe, you still see this remarkable phenomenon —that the tendency towards Protection is increasing. In our own colonies, where, if anywhere, we ought to have some influence, there, too, unfortunately, the Protectionist feeling is strong, and our own productions are shut out from the markets of our own children. Now, that is a fact which I say it is idle to ignore. It is childish to imagine that our example now, after so many years, will alone have any effect upon these nations. They have their own experience; they have their own philosophers to teach them. Many of them are, and certainly believe themselves to be, as far advanced in intellectual culture as ourselves. What is there to induce them to defer to our judgment, and to follow our example in this respect? If we intend to act upon them, we must find other motives; and I think we have a right to ask, without pledging ourselves to any opinion until the facts are known, that there should be a thorough investigation into the question whether we are now pursuing the right course for the purpose of inducing those other Governments in some degree to lower the terrible wall of tariffs which is shutting out the productions of our industry from the markets of the world. There is no reason that we should pledge ourselves to any particular course until the facts are known. But if you make a suggestion of this kind, you are immediately told, 'This is Reciprocity and Retaliation, and behind it lurks the shadow of Protection.' Reciprocity and Retaliation! But what are these commercial treaties, if they do not involve the principle of Reciprocity? Sir Charles Dilke will very soon meet the French Minister of Commerce, and they will be talking over the respective products of their respective tariffs, and practically Sir Charles Dilke will say to the French Minister of Commerce, 'If you will give me this *relaxation* of duty upon cotton, I will give you this relaxation of

duty upon wine.' But what is that but Reciprocity? And when Sir Charles Dilke finds that the French Minister of Commerce is difficult to deal with, he will say, 'Well, but if you do not give us this duty, if you do not give us this relaxation upon cotton, I will not give you a relaxation of duty upon wine.' What is that but Retaliation? Lord Salisbury

"Therefore I say, ever since you adopted the principle of commercial treaties, ever since that memorable date, 1860, the principle of what they are pleased in their own language to term 'Reciprocity and Retaliation,' is conceded.

"It is merely a question of policy, arising upon the state of facts in each particular case, whether you have the means of any alteration of your tariff which you can with due consideration for your own interests adopt, whether you can so do it in the case of the tariff of your neighbour; and it seems to me that that is a sensible course of conduct to adopt. There is no doubt that by abandoning duties which are useful to you for revenue purposes you confer a great benefit upon foreign countries. Why should you not ask for a price in exchange for that benefit? Why should you not obtain for your own industries a benefit corresponding to that which you are conferring upon them?

"I do not know, until inquiry has been made and opportunities gained of ascertaining, whether it presses either upon the food of our people, or the raw material of our industry, both of which must be held sacred. I do not know what opportunities we may have of exercising this salutary influence upon foreign Powers; but in spite of any formula, in spite of any cry of Free Trade, if I saw that by raising a duty upon luxuries, or by threatening to raise it, I could exercise a pressure upon foreign Powers, and induce them to lower their tariffs, I should pitch orthodoxy and formulas to the winds and exercise the pressure."

Now, if I wished to find a strong argument against all tariff bargains, I should point to this speech of Lord Salisbury's. He may exaggerate the sanguine views entertained by Sir R. Peel and Mr. Cobden of the prospects of universal Free Trade; he may also exaggerate the present tendencies of other countries to Protection; and the Retaliation he suggests—viz., upon that inappreciable part of our imports which consists of luxuries—is, unless he means to include amongst luxuries the tea, sugar, and tobacco which are the comforts of our working people—as impotent as that of the Fair Traders.

But, *unlike many* of the Fair Traders, he states his

case fairly, and he puts in very clear terms the impression which our commercial treaties have made, and are making, on many minds besides his own—an impression from which it is very difficult to escape, especially for a diplomatist. Our minister at a foreign court will tell you, "Don't trouble me with your arguments; tell me with what force you will back them." If the Foreign Secretary is to make a bargain, he must have something to bargain with.

"X." in the *Pall Mall Gazette.*

Lord Salisbury may, however, be thought by Free Traders to be a poor economist, and a diplomatist of a very suspicious type; but he has support where one would least expect it. I have seen arguments not very different in character in a perfectly unsuspicious quarter. In the *Pall Mall Gazette* of the 8th and 12th August, 1881, were some letters signed X., by an ardent advocate of commercial treaties, in which, after pointing out, first, that such a treaty as Cobden's, which only reduced duties and gave no preferences, differs *toto cœlo* from such treaties as the Methuen Treaty, which gave a distinct preference and stipulated for the maintenance of differential duties; and, secondly, that exports are as important a factor in trade as imports—two facts which no sound Free Trader would for a moment deny—the writer proceeded to draw the conclusion that it is the business of the Government of this, and of every other country, to do as much for its exports as for its imports, and, after dismissing the notion of differential duties of a protective character, suggested a differential duty on wines as a legitimate means of compelling France to admit our exports. A large part of his letters consists in the exposure of the fallacy which he supposes the school of Ricardo to commit when they say, "Take care of the imports and the exports will take care of themselves." He points out with perfect truth that a limitation on our exports is as much a limitation on our trade as a limitation on our imports, and he implies that however free our ports may be to foreign imports it will do us little or no good if the hostile tariffs of foreign countries continue to limit our exports.

More reckless Advocates of Retaliation

A notion similar in substance, but much more recklessly expressed, finds its utterance in the constant misrepresentations we have lately heard of the views and objects of the authors of our present policy. We are told that what Mr. Ricardo, Mr. Cobden, Sir Robert Peel, and others had in view, as the principal object and result of their Free Trade policy, was the abolition of foreign restrictions on our exports; that they believed them-

selves, and prophesied to the people, that if we in England would take off our duties, foreign nations would certainly take off theirs; that in this they deceived and were deceived; that foreign nations have not followed our example; and that these short-sighted politicians, were they now with us, would at once admit their mistake and revise their policy.

Nothing can be more untrue. Certainly the one leading figure amongst them who is still with us, and still vigorous—Lord Grey—tells a very different story. What really happened was this. When Sir Robert Peel had carried his first tariff, and had postponed certain further changes on account, amongst other reasons, of commercial negotiations then in progress, Mr. Ricardo, in two successive years, 1843 and 1844,* brought forward a motion urging the immediate remission of our own duties without waiting to see what other nations would do. In the very interesting debates upon these motions, some members defended the principle of Reciprocity, and Mr. Disraeli in doing so talked a good deal of characteristic nonsense about the dangers of a drain of bullion, and about the expediency of frightening foreign statesmen by a parade of our Oriental resources.† Sir R. Peel and Mr. Gladstone clearly agreed with Mr. Ricardo in the principle he advocated—a principle on which they subsequently acted, and which Sir R. Peel expressly advocated in his speech of 6th July, 1849—but objected to its immediate application, and to the abstract form in which his motion was couched. Mr. Ricardo himself, Lord Grey (then Lord Howick), Mr. Ewart, Mr. C. Villiers, and Mr. Cobden, supported the motion on the ground, which was admitted on all hands to be true, viz., that for 25 years we had been struggling by means of our own duties to obtain reciprocal reductions from other nations, and had failed entirely, a fact which is constantly and conveniently ignored by the present advocates of Reciprocity. They said, further, that if the great object of this country were to

Real Orig of the Policy of fighting hostile Tariffs b Free Imports.

* See "Hansard," Vols. 68 of 1843, 73 of 1844. See also Sir R. Peel's speech, 6th July, 1849 ("Hansard," Vol. 106, p. 1429), in which he maintains against Mr. Disraeli that the true weapon with which to fight hostile tariffs is "free imports." This speech is well worth reading now.

† Since writing the above passage I have read the eulogistic mention of this speech of Mr. Disraeli, in Mr. Cobden's life. My sincere respect for anything Mr. John Morley writes has made me read the speech again; but having re-read it carefully, I leave the passage as it stands. In differing on this, and subsequently on another trifling point, it would be ungracious not to express my hearty admiration for the noble monument Mr. Morley has raised to the memory of Cobden.

Policy of Fighting hostile Tariffs by Free Imports.

obtain reductions in foreign tariffs, the best way to effect it would be to reduce our own, to show foreign nations that we believed in our own principles, and to convince them by our own consequent prosperity that our policy was the true one. In their anticipations of the wisdom of foreign nations, and in their under-estimate of the strength of protected interests, they were perhaps too sanguine. But this was not the only ground, or indeed the real ground, on which they supported the motion. That ground was the principle, true then as now, that whether foreign nations maintain their own duties or not, it is for our interest to abolish ours, and that if we would but do this in our own interest our own trade must prosper, let foreign nations do what they will. And they were right. Their policy was adopted, and our trade did prosper. No one of these distinguished men doubted, as X. seems to suppose, that foreign protective tariffs are a great impediment to our trade, or that it is most desirable that they should be reduced or repealed. What they said was—"A foreign tariff is one impediment; over that you have no power. Your own high tariff is another and a separate impediment, with an additional and cumulative effect; over this you have power. Remove the impediment over which you have power, and do not wait for the removal of the further impediment over which you have no power. You will gain much if you do not gain all. Half a loaf is better than no bread." But the consideration of this fundamental question deserves a new chapter.

CHAPTER XIX.

IS THERE ANYTHING IN ONE-SIDED FREE TRADE WHICH MAKES A CASE FOR RETALIATION?

Fallacies in the arguments above noticed.

THE fallacy by which X. and Lord Salisbury and many others are misled consists in thinking of a high tariff as a complete barrier, a solid wall, a watertight sluice which allows of no passage. If this were the case, it would be quite true that one high tariff is just as great an impediment to trade as two, and that there is no use in removing one unless you can remove both. If every foreign country were to build an impervious wall round itself, so that no trade could enter, it would not signify how

much or how little of a wall there may be round England; no trade could pass either one way or the other. But even in the pre-Huskisson days of absolute legal prohibition, the wall was broken through by the smuggler; and, in the present day, no nation practises absolute prohibition, even on paper. . The metaphor of a barrier-wall misleads, as metaphors constantly do. If we are to have a metaphor, Lord Palmerston's metaphor of two turnpikes, one at each end of a bridge, each of which offers some obstacle to the traffic, is a much better one. At the present time every nation, however protective in its tendencies, does what it thinks best calculated to promote its own exports, and therefore cannot destroy but only check its imports, which are the necessary concomitants of exports. No existing tariff is such as to keep out foreign goods altogether; each tariff has its weakest point, its lower and less protective duties. Moreover, as a matter of fact, all nations are not protectionist. In many tariffs protection is a secondary or partial object; and in other countries importation is altogether free. There are, therefore, abundant means of export; there are even abundant channels, often direct, often circuitous and indirect, by which, so long as a protectionist country exports at all, the exports of a free country can reach, and in the nature of things must reach it. Trade will go on, and does go on, in spite of hostile tariffs, although the number of transactions is, in consequence of such tariffs, less than it otherwise might be; and each transaction is, from its very nature, profitable to both parties engaged in it.

Protective Tariffs impediments not barriers.

Let us, however, consider a little more carefully what the position of a nation is which opens its ports whilst other nations are shutting theirs; what our position would be, on the hypothesis (which is untrue) that, whilst we retain a Free Trade tariff, all other nations put heavy duties on our goods. I think it can be proved that, though we shall not have as much trade absolutely as we should have if other nations were free like ourselves, we shall be better off relatively; the trade and the production of the world will be less, but we shall have a larger share of it.

Position of a Free Trade country in the midst of Protectionist countries.

The point, though elementary, is so important that it is worth while to consider it attentively. Let us first take the simplest case, that of barter between two merchants living in two different countries, and let us think what would be the effect on their dealings of a tax, imposed in either country on the importation of the commodities in which they deal. Suppose that A, a Frenchman, makes 100 yards of silk in

Effect of Protective Duties as between two Countries only.

Effect of Protective Duties as between two Countries only.

France, and B, an Englishman, makes 100 yards of cloth in England. They exchange these one for the other. Suppose that the French Government puts on the English cloth a duty equal to the value of the cloth; suppose, further, that the cloth is a necessity to the Frenchman, and that it is only to be got from England. The effect of the French duty upon the Frenchman will be, that he will have to pay twice as much for the same quantity of cloth as before; in other words, he will have to pay 200 yards of silk for his 100 yards of cloth. Then suppose that the English Government puts on the French silk a duty equal to the value of the silk, and suppose, as before, that the silk is a necessity to the Englishman, and can only be got from France. The effect on the Englishman will be that he will have to pay 200 yards of cloth for his 100 yards of silk. The effect of the two duties combined will be that the Frenchman will have to give 200 yards of silk for 100 yards of cloth, and the Englishman will have to give 200 yards of cloth for 100 yards of silk—the extra 100 yards of silk and 100 yards of cloth going into the pockets of the respective governments.

Of course, the real thing will be entirely different; the goods will not be either necessaries or monopolies; and the effect of the duties will be to transfer the industries, and, in so doing, to reduce both consumption and production. The effect of the French duty on the Frenchman will be to make the Frenchman buy less English cloth, to make him pay more for it, to make him buy inferior cloth from a French maker, and to make him sell his silk to the French cloth-maker for less than the Englishman would give for it. Its effect on the Englishman will be to deprive him of the best market for a part of his cloth, to make him buy less French silk, and to make him buy something with the rest of his cloth which is of less value to him than the French silk.

The further consequence of the English duty on silk to the Englishman will be to make him buy less French silk, to make him pay more for it, to make him buy inferior English silk instead, and to make him sell his cloth to the English silk manufacturer at a less price than the Frenchman would give for it. Its effect on the Frenchman will be to deprive him of his best market for a part of his silk, to make him buy less English cloth, and to make him buy French cloth *instead at a higher* price.

Effect of Protective Duties as between two Countries only.

The effect of one duty, supposing the duties still to be equal, will be as great as that of the other; they will act cumulatively in transferring English and French industries from what they do best to what they can do less well; the French industry from silk-making to cloth-making, the English industry from cloth-making to silk-making.

The aggregate production of the two parties will be diminished equally by both duties; and if one duty is taken off, the mischief to both parties will be just one-half what it would be whilst both duties are continued.

Let us now take the case of two nations who exchange goods with one another; and let us, after the manner of Bastiat, call one of them Libera and the other Vincta.

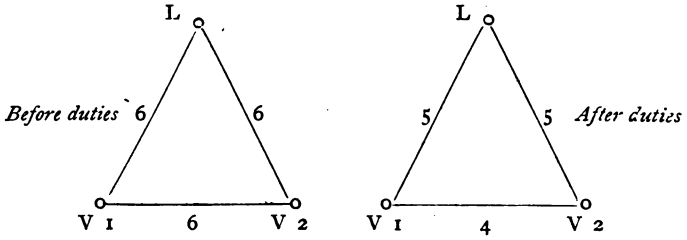
Libera determines to put no duties on the goods of Vincta —Vincta puts a duty of 20 per cent. *ad valorem* on the goods of Libera. The result will be damaging alike to Libera and Vincta; Libera will be able to sell less to Vincta, and to buy less from Vincta in return; Vincta will be able to buy less from Libera, and will be able to sell less to Libera in return. Now, suppose that Libera, irritated by Vincta's conduct, determines to retaliate, and to impose in her turn a tax of 20 per cent. on the goods of Vincta. What will be the result? Precisely the same as before, only that it will be double and cumulative. Vincta will be able to sell still less to Libera, and to buy less from Libera in return; Libera will be able to buy still less from Vincta, and to sell still less to Vincta in return. Both duties have had an equal effect in diminishing the buying and selling on both sides. But their action has been cumulative; the duties imposed by Libera have doubled the loss to each originally caused by the duties imposed by Vincta. Libera has done herself no good, but has done equal mischief to herself and her rival by retaliation. It will even, in this case, clearly be her interest to cease following the example of Vincta, to revert to her original policy, and become Libera again; and it will not be the less her interest to do so because she is at the same time doing good to Vincta.

Effect of Protective Duties as between three or more Countries.

But now let us consider the case of three countries, which we will call Libera and Vincta No. 1 and Vincta No. 2. Suppose that they have a triangular trade with one another, and that these three trades (that of Libera with Vincta 1, that of Libera with Vincta 2, and that of Vincta 1 with Vincta 2) are each *equal in amount*, and that each of them is represented

Effect of Protective Duties as between three or more Countries.

by 6. Then 18 will represent the aggregate trade of all three, and each will possess an equal share of it, which will be represented by 6. Now suppose that Vincta 1 and Vincta 2 each put equally heavy duties on their respective imports, Libera remaining free as before. The trade between Libera and each of the others will be subject to one set of duties, but the trade of Vincta 1 and Vincta 2 with each other will be subject to two sets of duties. The aggregate exchange, and with the exchange the production of all three countries, will be diminished, but not in equal proportions. The trade between Vincta No. 1 and Vincta No. 2 will be diminished in a larger proportion than the trade of each with Libera. If we suppose that each set of duties has the effect of diminishing the trade on which it is charged by an amount represented by 1, the whole diminution will be equal to 4, and the aggregate trade of the three countries will now be represented by 14 instead of 18. Of this diminution, 1 will fall on the trade between Libera and Vincta No. 1, which will now be 5 instead of 6; 1 on the trade between Libera and Vincta No. 2, which will also be 5; and two on the trade between Vincta No. 1 and Vincta No. 2, which will now be 4. Each country will, of course, have half the trade between itself and each of its neighbours, and the whole trade will now be divided as follows:—Libera will have 5 instead of 6; Vincta No. 1 and Vincta No. 2 will each have 4 instead of 6. The following diagram will make this clear:—



In the same way it may be shown that if of three countries trading with one another under three tariffs equally protective, one does away with Protection, the production and trade of all will be increased, but the largest share of the increased trade will fall to the one which opens its ports. When she opens her ports she must do good to her neighbours as well as to herself

though not so much good—a thing which it is important to remember in examining the consequences of adopting a Free Trade policy. Its adoption by one country is followed by an increase of the trade of other countries as well as of her own, though her own trade reaps the greatest benefit.

Effect of Protective Duties as between three or more Countries

I am not very fond of illustrations of this kind. They are apt to appear to be mathematical demonstrations, when they are really only rude and abstract illustrations of one of the many elements which go to make up the infinitely complex and delicate conditions of human business. But taken merely as an illustration, I believe the above formula represents a general truth. So far as artificial restrictions are concerned, and it is only with these we are now dealing, the country which keeps its own ports open whilst the ports of other countries are shut will not do as much trade as if the ports of all were open, but of the reduced trade which is left by the restrictions it will do a larger share. If England keeps her ports open whilst the United States, France, Germany, Italy, and other countries shut theirs, the aggregate trade of all of them, and even the actual amount of England's share, will be less than if all of them were open, but her share of what is left will be greater than that of the others. It is to her open markets rather than to those of the closed countries that each foreign country will prefer to export, and return trade is apt to follow in the same channel. To her will come raw materials, half-manufactured goods, food, clothing, everything which aids production directly or indirectly. No market is likely to be so closed against her but that she will be able to get something into it, and in doing so she will, by her command of the materials and instruments of production, be better able to compete than her rivals, who have made the materials and instruments of production dear. To all open neutral markets, and they are many, she will have full access. In all neutral markets, open or closed by duties, she will have an advantage. Her open market will attract imports; her command of all that is needed for production will give comparative cheapness to her exports. She will lose absolutely some of the direct trade with her Protectionist rivals which she might have had if it were not for their duties, but they will lose that trade also, and she will have advantages in competing with them in other markets which they will not have.

The Nation which remains free will get largest share of the Trade

CHAPTER XX.

ENGLISH TRADE BEFORE 1860.

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It is not an easy thing to prove any truth of this kind from statistics of actual facts, for it is very difficult to find a test-case in which all the facts are known, and from which all foreign elements can be eliminated, but in the facts so often cited by Free Traders we find an approach to an illustration if not to a proof.

From the time of the end of the great war in 1815 to the time of Sir R. Peel's tariff reforms, England was first a Prohibitive and afterwards a Protectionist country. In 1842 the first great reductions of duty were made. In 1845 followed a great further reduction. In 1846 the Corn-law Bill was passed, and the corn duties came to an end in 1849. In the same year the navigation laws were repealed. In 1853 Mr. Gladstone's first budget made large additional reductions, which were continued more or less in each successive year until 1860, when the reductions incidental to the French treaty brought our tariff to its present simple condition, with the exception of the repeal of the sugar duty, which took place in 1874.

If, therefore, we can compare the period of Protection in England with the period of Free Trade which immediately followed Sir R. Peel's reforms, and if we find that after these reforms had taken effect, and before 1860, when the French treaty was made, there was a great burst of activity in England, we have some evidence that reduction of Protective duties in England alone, and without reduction on the part of other nations, resulted in a great increase of English trade, the effects of which are seen in the statistics of our exports.

Our statistics of exports of domestic produce, which are the only statistics on which we can rely for the earlier years of the century, afford such a test. These averaged per annum from

1821 to 1825	about	37	millions.
1826 to 1830	,,	36	,,
1831 to 1835	,,	40	,,
1836 to 1840	,,	50	,,
1841 to 1845	,,	54	,,
1846 to 1850	,,	61	,,
1851 to 1855	,,	89	,,
1856 to 1860	,,	124	,,

thus showing a large and continuous increase as the successive instalments of Free Trade came into full operation. I am aware that there were other factors at work during this period, and those who wish to see what can be said about them should turn to Mr. Gladstone's article in the *Nineteenth Century* of February, 1880. But the above figures show conclusively that an outburst of successful exportation was concurrent with the installation of a Free Trade policy in England, and with the maintenance of restrictive tariffs abroad.

CHAPTER XXI.

ENGLISH TRADE SINCE 1860.

Alleged changes circumstances since 18

BUT it will be said in reply, "All this happened long ago, and many things have happened since then. Foreign nations have learned from us to manufacture and to rival us not only in their own markets but in the markets of the world. Protective tariffs in this state of things will be more dangerous to us than they ever were before, for we have not only the barriers of hostile tariffs to cross, but shall find within them rivals whom we cannot expect to beat. As a matter of fact, the trade of other nations has progressed as fast or faster than our own. The United States have the most Protective tariff in the world; but their trade, as measured by their exports and imports, and their general prosperity, has grown faster than our own. France, with her tariff less Protectionist than the United States, but still Protective in a high degree, is the marvel of the world in the way she has recovered from the crushing blows of the German war. Germany has not found her Protective tariff destroy her trade. The imports and exports of Canada have increased since she adopted her high duties, and Protectionist Victoria runs a fair race with Free-trade New South Wales. Above all, are not our exports diminishing while our imports are increasing? Have we not had the longest period of commercial depression ever known? and is there any reason for supposing that we shall so far recover from it as to attain again our *former prosperity?*"

The World not so Protective as it was.

To this I propose to reply at length in the following chapters. But in the first instance I wish to observe that it is a mistake to suppose that the world is, on the whole, more protective than or even as protective as it was. In the earlier part of this century, nations were prohibitive where they are now Protectionist. Prohibition pure and simple, common enough before 1860, scarcely exists now. Many countries—*e.g.*, Holland, Belgium, Norway and Sweden—have since 1860 adopted a policy approaching our own. Nowhere in Europe are tariffs now as high as they were before 1860. The United States and some of our own Colonies are the only countries where they are higher. But, secondly, be the tariffs what they may, our freedom still gives us an advantage. We can and do export, even to the most Protectionist countries, manufactures which they are trying to keep out, and we must do so as long as they burden their own industries by a Protective system, and seek at the same time to sell their raw produce to us. In neutral markets, of which there must always be many, we have enormous advantages in our free tariff. Our materials come to us free, and our people live on untaxed food.

CHAPTER XXII.

WHAT FREE TRADE MEANS, AND WHAT IT CANNOT DO.

Free Trade cannot create; it can only leave Nature and Man free.

At the same time it must be remembered what Free Trade is, and what are its limits. It is merely the unshackling of powers which have an independent existence. It can produce nothing; it can create no material substance in nature; it can beget no positive qualities in man. All it can do, and that all is much, is to leave the powers of nature and of man to produce whatever it is in them to produce unchecked by human restrictions. Free Trade cannot make the maize and the vine grow in England; it cannot make our sands and clays yield wheat as freely as the virgin soil of the prairies; it cannot endow the negro and the Hindoo with the ingenuity and thrift of the Frenchman, or the brain and arm of the Anglo-Saxon; but it can ensure that each shall be allowed to yield and

do whatever it is best fitted for yielding and doing. Free Traders have been much to blame for attributing to Free Trade consequences which have probably arisen from many causes, and they are now paying the penalty of their exaggerations. It is idle to expect that England shall produce everything, or even that she shall have a monopoly of manufactures. Other countries have their own special advantages of soil, of climate, and character, which will enable them to do many things better than England. The true test of the value of Free Trade to England, or to any other country, is not whether she is progressing faster, or even doing a larger trade than another, but whether she is doing better herself with Free Trade than she would do without it; and whether, in her relation to other nations which are not Free Traders, she or they derive the greater benefit from their respective commercial systems. Tried by these tests, we need not fear the comparison.

True test of Free Trade.

CHAPTER XXIII.

RELATION OF THE PROSPERITY OF OTHER NATIONS TO OUR OWN.

Our Tra can only grow by making Trade o other Nations grow too

BEFORE attempting to prove anything by facts and figures, let us be on our guard against a mistake, by which our Protectionist friends are constantly leading us into pitfalls. It is a very important and a very dangerous mistake, for it involves the very principle which lies at the bottom of the Free Trade controversy. To read Protectionist literature, one would imagine that no nation could thrive except at the expense of another; that trade, at any rate between nations, is a sort of betting or gambling game, where the gain of one is the loss of another. If the list of French exports grows as ours grows, still more if it increases by a percentage faster than our own, we are in danger. If the American export account appears to exceed our own, we are lost, and so on. Unless our sale list keeps far ahead of and grows faster than that of all other nations, we are losing our position, and dwindling among the races of mankind. But the truth is, that trade is reciprocal.

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our trade cannot grow without making the trade of other nations grow too. Every act of trade is a sale by one man and a purchase by another, and every such a sale and purchase involves a second purchase by the first man and sale by the last. Every act of trade is an act of barter—or, rather, one-half of an act of barter. Except in the case of transfers of goods made to pay existing debts, every sale by an Englishman to a Frenchman involves a sale direct or indirect by a Frenchman to an Englishman. Every English export to France involves a French import from England, a French export on account of England and an English import on account of France. And the whole transaction is equally a gain to both traders and to both countries. An increase in the English export list, arising from the removal of our own restrictions, necessitates an equal and corresponding increase in the French export list; and the increase in the French exports, which follows the removal of our restrictions, is the proof and consequence of an increase in English trade. We cannot do good to ourselves without doing good to our neighbour. Nay, if we are doing much the larger trade of the two, it may very well happen that by removing some artificial restrictions which we have placed on our trade with him, we may arrive at the result of increasing our neighbour's trade by a percentage on his trade greater than the percentage by which we increase our own—a catastrophe which excites the liveliest alarm in the minds of those who think the infant of two years lives faster than the youth of twenty, because in one year the infant has doubled his age, whilst the youth has added only one-twentieth to his.

It would be seen to be the height of absurdity if a manufacturer, a merchant, a farmer were to look on the prosperity of his customers as signs of his own decay. Conceive the village baker saying to the shoemaker, "You are making too much by my custom; you have enlarged your shop, you are taking an apprentice: you eat more of my bread, it is true, but I cannot bear to see you so rich. I shall do without shoes, and go barefoot, in order that your balance may be less at the end of the year." And yet this is the spirit in which we often look at foreign statistics. The very growth in them which we envy is often the necessary result of the increase of our own trade, which, again, is the result of our own free policy. When we reduced our tariff between 1840 and 1860, we increased our own exports and imports; but we

increased those of America and Germany and France at the same time.

Consequently, in comparing national statistics, the question is not whether we increase faster than or as fast as other nations, though this question may often be answered in the affirmative, but does our Free system enable us to do trade with other nations which we should not do without it, and does it enable us to do trade from which they cut themselves off by a system of Protection?

Competition.

In saying that trade is necessarily a mutual benefit, I do not forget Competition, or the partial and local suffering which it occasionally causes. Competition becomes wider, if not more severe, as communication extends. But competition is one form of a higher law, of which in this case we can see the beneficent results, and which neither men nor nations can disregard with impunity. Free Trade cheerfully obeys this law; *it has regard to sellers who want to sell what other people want to buy, and to buyers who want to buy what other people want to sell.* Protection disregards these two useful classes, and tries to encourage at their expense *the sellers who want to sell what nobody wants to buy.* If in the race of competition we were entirely thrown out; if, whilst other nations were prospering, our forges were extinguished, our looms idle, our pauperism on the increase, and our consumption seriously diminishing, it would be time, not to reverse our policy, but to reconsider our position. But whilst the very opposite of this is the case, it is the height of folly to look with jealousy on the growing wealth of other nations who can sell what we want to buy, and buy what we want to sell.

CHAPTER XXIV.

RECENT COMMERCIAL DEPRESSION.

Burden Proof li on thos who cal Chang our

WE have already seen what an impetus our trade received in the period between 1840 and 1860. We know also how much the trade of France, as well as of England, grew after the treaty of 1860; and we may fairly ask our opponents, who are calling for a reversal of the policy which produced those

benefits, to show not only that we have since that time been deprived of them, but that we should not have suffered that loss if we had not been Free Traders. We have a right to call upon them to define the specific evil of which they complain, and then to prove that it is due to Free Trade. I need not say that no such definition, no such proof, is forthcoming, and we are left with nothing but a vague shadow to fight with.

Let us, however, take such facts as we can lay hold of, and see how far they bear out the notion that we have lost our markets in the world.

:cent ·mmer- l De- ssion.

Let us take first of all the recent commercial depression, and let us admit that our exports, as measured in nominal values, have considerably diminished since those roaring years of prosperity, 1872 and 1873. They were 256 and 255 millions in those years, and 191 and 223 millions in 1879 and 1880. They are now rising again, but are not yet equal in nominal value to those of 1872. Let us admit, too, that this decrease of exports has been the sign and result of a real depression, and that both profits and wages have decreased since those so-called prosperous years. This in itself has nothing to do with the question at issue, unless it can be shown to arise from a permanent loss of market for our manufactures. Nothing whatever of the kind has been shown, or can be shown. But it can be shown that the prosperity of the earlier years of the decade is exaggerated; that the depression is exaggerated also; and that there are ample causes to account both for one and the other without assuming any falling off in the general demand for or supply of English goods.

:aggera- n of osperity 1872–73.

The prosperity of 1872 and 1873 has been immensely exaggerated. All persons engaged in producing coal and iron made, no doubt, enormous profits, but they were led by those profits into an extravagant expenditure, partly on personal expenses and luxuries, but still more on plant and machinery for increasing the output, which has flooded the market with excessive supply, and from which no adequate return has yet been received. This expenditure of capital in fixed and, at first, unremunerative investments is one cause of subsequent depression. But whilst coal and iron masters made fortunes in those years, manufacturers and others who had to use coal and iron had to bear heavy outgoings, and their profits were reduced accordingly. Prices being high all round, people with *fixed incomes* suffered accordingly. Even the high wages

of the time went less far than lower wages do when prices are lower. A great deal of the prosperity was apparent rather than real.

Statisti founde Price n leading

The statistics made the exports appear larger than they really were, because prices were so high. The quantities of goods exported, and the labour necessary to produce them, were as large in the subsequent years of depression as they had been in the years of inflation, but appear to be less because prices are so much lower. The exports of British produce were 255 millions in 1873, and 223 millions in 1880. If the exports of 1880 were valued at the prices of 1873 they would be 311 millions, or the largest on record.

Prices Raw M terial.

Imported raw material, *e.g.*, cotton and wool, was much dearer in the period of inflation than in the subsequent period of depression, and consequently that portion of the exports which is due to British labour and capital differed in the two periods much less than appears at first sight by the figures of the total exports. For instance, the raw cotton imported in 1873 was about the same in quantity as the raw cotton imported in 1879. But the raw cotton used in our manufactures exported cost us 14 millions more in 1873 than the same quantity cost us in 1879.

Tempo Causes Inflatio

The prices and exports of the inflated years were due to causes which were temporary and accidental, and brought with them a necessary reaction. Amongst other causes may be mentioned:—

Expenditure of capital in this country on plant and machinery, not even yet fully reproductive.

Investments of English capital abroad, some of which were wholly unproductive—*e.g.*, the bad foreign loans; and some of which were not immediately productive, *e.g.*, American railways, but which are now in various ways bringing us a large return of imports.

Advances made to assist France in paying the German indemnity, which caused a large export from France and England to Germany at the time, and large exports from France to England and to Germany at a later time. I have given the figures which illustrate this process in the Tables VIII., IX., and X. in the Appendix.

All these causes have little to do with the permanent demand for goods; all of them largely increased our exports at the *time; some of* them proved in the end losses, whilst others

have helped that increase in our subsequent imports which Fair Traders seem to dread even more than losses. The inflation, as well as the depression, is, therefore, fully accounted for without any reference to closed markets or decrease in permanent demand.

Large Exports and High Prices not necessarily Tests of Prosperity.

It is a complete mistake to suppose that extraordinarily large exports, very high prices, and a great demand for labour are necessarily signs of great and permanent prosperity; they are only signs of great activity. They may be caused by a continuous demand, and by good and reproductive investments of capital, in which case they are elements of permanent prosperity. But they may be caused by bad investments, by payment of debt, or by unproductive expenditure on war, or by other causes which may lead to absolute loss. If I employ a thousand men to dig a hole and fill it up again, I shall cause high wages, high prices, and great prosperity in my neighbourhood for a time; but my capital will be lost, and when the work is at an end there will be a sad reaction and relapse. These are very elementary truths, but they seem to be forgotten by many popular expounders of statistics.

CHAPTER XXV.

EFFECT OF BAD HARVESTS.

Losses of Farmers due to four causes: 1, Rise of Rents; 2, Rise of Wages; 3, Lowered Prices; 4, Deficient Production.

THAT the farmers have suffered severely during the last five or six years, there can be no doubt. The amount of their losses it is not easy to estimate; but competent observers have calculated that, if their present condition, arising from the losses of the last six years, is compared with their condition ten years ago, they must be the worse by a sum approaching 200 millions, or, taking it by the year, 30 millions a year. Whatever be the sum thus lost by them, it is due to several factors, of which bad harvests is only one. A rise in rents—which had been going on long before the beginning of the decade, and which continued until 1872–73—an increase in the cost of labour, and a heavy fall in the price of agricultural produce, *owing to foreign* competition, are other factors. Of these four

factors, the rise of rents, and the rise of labour—a most uncertain item—have been estimated to account for something less than one-third of the whole loss, leaving more than two-thirds of the whole loss to the two factors of bad harvests and lowered prices. In what proportion it should be divided between these two factors, is a matter of controversy. Some persons would attribute the larger proportion to the bad harvests; others think that this has had a much smaller effect than lowered prices; but that both factors have had a great effect in causing loss to the farmers, all agree.

First thr a loss to the Lanc Interest, not to th wholeCc munity.

Upon the questions of what is the total amount of loss, and in what proportions it is to be attributed to each of these factors, which will probably be the subject of much discussion, I will not enter; the important point for our present purpose is that it is only that portion of the farmer's loss which is due to bad harvests which is a pure economical loss to the country. The rise of rent goes into the landlord's pocket; the rise of wages to the labourer; and if the farmer loses by the substitution of cheaper food from abroad, the consumers of that food gain in lowered prices. The present agricultural depression has, consequently, been confined, to a great extent, to the farming and landowning classes. Farmers have suffered much, rents have been remitted or lowered, but the population generally have been little affected, and trade has begun to revive during the worst times of agriculture. For the first time since the repeal of the Corn Laws, foreign competition, in supplying food to our people, has been unaccompanied by such a rise in demand as to compensate, and more than compensate, the English agriculturist. Even now it is doubtful whether the recent fall in prices will have as great an effect in lowering the letting value of land as the increased demand for food, consequent on Free Trade, has had in raising it in former years.

What is t effect of Deficient Producti on entire Community?

So far, therefore, as lower prices are concerned, the nation is not a loser. The loss of the farmer and landowner is the gain of the rest of the people. But it is worth while to consider what, under a system of Free Trade, is the effect on the welfare of the entire community of so much of the farmer's loss as is really due to a bad harvest. That it is a loss to the agricultural interests, and consequently to the community, which includes those interests, there is no doubt; but to what extent does it affect the large majority of the population, who

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are neither farmers nor landowners? The loss which they suffer has, I believe, been both exaggerated and understated. In one of our anti-free-trade journals I find the following passage:—

"Mr. Bright explains the depression of trade by the loss of millions through the insufficiency of harvests, and the inability of all persons interested in agriculture to make their accustomed purchases.

"But the Free Traders denied this. They said that foreign corn would pour in, and must be paid for, and would bring about a profitable exportation of non-agricultural products."

Whether the Free Traders said this or not, I do not know. But the real state of the case seems to be as follows:—

Suppose that there is a deficiency of 10 million quarters—worth, say, 20 million pounds. The agricultural interest will lose this sum, and will be actually so much the poorer. They will be unable to exchange their corn for non-agricultural products, and, so far, trade will be injured. The argument above referred to as the argument of the Free Traders, assumes that the same quantity of corn must be purchased abroad at the same price as would have been paid for the corn produced at home, and that the same quantity of non-agricultural produce must be exported to pay for it; and that, if so, manufacture and trade will not suffer on the whole. But the above assumption is not strictly accurate, as the following considerations will show:—

1. Supposing the conditions of production abroad to remain the same, the corn brought from abroad will necessarily cost rather more than the home-grown corn would have cost, and the goods sent to pay for it will have to pay freight and expenses. This loss will fall on the whole community. If, indeed, as has been recently the case with ourselves, the importers of corn are also the carriers, the freight will return into the pocket of the nation.

2. The course of trade will be deranged, and this will be a loss to the manufacturer as well as to the agriculturist.

3. The foreign purchaser will not want so much of the same things as the home purchaser, and will probably have to be tempted by a lower price. He may want some things very much, as the United States wanted iron for railways in 1880. In that case, the price of iron would go up in England, but the price of other manufactures would go down.

4. The demand for corn will be large and immediate. Bills of America on England will be at a discount. Bills of England

on America will be at a premium. The former will be in excess. There will be an immediate profit to America on the business, till the balance is redressed by the exports to America.

Consequently, in their different ways, the trading and manufacturing interests of England, as well as the agricultural interest, must suffer from our bad harvests; but their suffering is comparatively small; and under present circumstances is largely compensated, if not more than compensated, by the low prices of Foreign food. What their suffering would be if Foreign food were excluded, or raised in price by high duties, it is, in the present state of our population and of their employment, frightful to contemplate.

CHAPTER XXVI.

EXCESS OF IMPORTS.

Excess o Imports.

ANOTHER subject of panic on which an infinite quantity of nonsense has been talked, is the recent excess of imports over exports. This nonsense has been so often and so fully exposed that it is unnecessary to repeat in detail the many arguments which show that our imports are large, because they include the profits of our present trade, and of our past savings. But it may be desirable to state the outlines of the case shortly, premising that the incompleteness of our statistical records makes error easy and exactness impossible, for, not only do our statistics of exports omit much which is really produced and sent out of the country, but all attempts to strike an exact balance of imports and exports are confused and baffled by investments, and by the traffic in securities. We know that all exports of goods are made either in exchange for the imports of other goods or bullion, or by way of loan to be repaid hereafter by imports—and we know that imports are made either in exchange for goods or bullion, with the necessary additions for freight and profit, or by way of repayment of the principal or interest of loans which we have formerly made. But we do not know how much is due to each of these causes, *and we cannot*, therefore, strike an accurate balance.

Imperfec tion of Statistics statemen of Balanc of Trade.

We do not know the exact state of our debtor and creditor account with foreign countries. The difficulty is increased by the fact that securities are now used as a sort of international cash, and are transferred from country to country, not as permanent investments, but in place of bullion to settle the balance of accounts. In consequence there is large room for speculation and for error.

But all economists agree that we are a largely lending country, and that we have enormous investments abroad, of which the interest and profit are daily returning to us in the shape of imports. The case may be put shortly as follows:—

Excess of imports.

The excess of imports over exports in 1880 was

Imports	£411,229,565
Exports	286,414,466
	£124,815,099

Estimate of Foreign Investments.

The amount of English capital constantly employed abroad in private trade and in permanent investments, including Stock Exchange securities, private advances, property owned abroad by Englishmen, British shipping, British owned cargoes, and other British earnings abroad, has been estimated by competent statisticians at from 1,500 to 2,000 millions. Taking the lower figure, the interest or profit upon it, at 5 per cent., would be 75 millions, and at the higher figure, 100 millions. But a large proportion of this amount being employed in active business, would bring in much more than 5 per cent. profit, probably not less than 10 per cent. Supposing one-quarter to bring in that interest, we should have, as the income of 1,500 millions capital, 94 millions; for the income of 2,000 millions capital, 125 millions. The former amount is about three-fourths of, and the latter equals, the excess of imports over exports. But besides this, there is the question of freights. A very large proportion of the trade of the United Kingdom is carried in English ships, and these ships also carry a large proportion of the trade of the world which does not come to England. This is, in fact, an export of highly-skilled English labour and capital which does not appear in the export returns, and considering that it includes not only the interest on the capital invested in the ships, but wages, provisions, coals, port expenses, repairs, depreciation, and insurance; *and that the value* of English shipping employed in the foreign

Outgoings in Ships.

trade is estimated at considerably more than 100 millions sterling, the amount to be added to our exports on this account must be very large. Add to this the ships built for foreigners, amounting in 1880 to 70,000 tons—chiefly steam ships—the ships repaired for foreigners and the ships sold to foreigners, amounting to 75,000 of sailing and 36,000 of steam tonnage worth altogether several millions, which do not appear in our list of exports. All these outgoings, except the small part spent abroad, with the profits, must either return to this country in the shape of imports, or be invested abroad. From all I can learn, I believe that 50 millions is too low an estimate of the amount of unseen exports, which should be added on this account to the total of exports visible in our statistical returns. In addition, there are the commissions and other charges to agents in this country, connected with the carriage of goods from country to country, which are analogous in their nature to the charges of the ship-owners for conveying goods, all of which appear in our accounts of imports, but none of which appear in the list of exports. If there is any truth in the above figures, not only is the excess of imports over exports accounted for, but there is really a large surplus of imports due to us, which can only be accounted for by supposing that we are still investing large amounts of our savings in foreign countries and in the colonies.

Outgoing on Ships

We need not, therefore, be afraid either that we are consuming the realised earnings of past generations, or that we are ceasing to be able to earn. Though receiving more, we are still earning; and we may consume in confidence, because we produce in abundance.

I cannot finish this chapter better than with Cobden's own words * :—

"Now, we are met by the monopolists with this objection: —If you have a Free Trade in corn, foreigners will send you their wheat here, but they will take nothing in return. The argument employed, in fact, amounts to this, if it amounts to anything—that they will give us their corn for nothing. I know not what can exceed the absurdity of these men if they be honest, or their shallow and transparent knavery if they be dishonest, in putting forward such an argument as that. If there be a child here, I will give him a lesson which will make

Cobden's Illustrati of Exces of Impor and Drai of Gold.

* *See "Cobden's Speeches," p. 63.* Speech in London 8th February, 1841.

Excess of imports.

him able to go home and laugh to scorn those who talk about Reciprocity, and induce him to make fools' caps and bonfires of the articles in the *Morning Post* or *Herald.* Now, I will illustrate that point. I will take the case of a tailor living in one of your streets, and a provision dealer living in another, and this busybody of a Reciprocity man living somewhere between the two. He sees this tailor going every Saturday night empty-handed to the provision dealer, and bringing home upon his shoulder a side of bacon, under one arm a cheese, and under the other a keg of butter. Well, this Reciprocity man, being always a busybody, takes the alarm, and says: 'There is a one-sided trade going on there, I must look after it.' He calls on the tailor, and says, 'This is a strange trade you are doing! You are importing largely from that provision dealer, but I do not find that you are exporting any cloths, or coats, or waistcoats in return? The tailor answers him, 'If you feel any alarm about this, ask the provision dealer about it; I am all right, at all events.' Away goes the Reciprocity gentleman to the provision shop, and says, 'I see you are doing a very strange business with that tailor; you are exporting largely provisions, but I do see that you import any clothes from him: how do you get paid?' 'Why, man, how should I?' replies the provision dealer, 'in gold and silver, to be sure!' Then the Reciprocity man is seized with another crotchet, and forthwith begins to talk about the 'drain of bullion.' Away he flies to the tailor, and says, 'Why, you will be ruined entirely! What a drain of the precious metals is going on from your till! That provision dealer takes no clothes from you; he will have nothing but gold and silver for his goods.' 'Ay, man,' replies the tailor, 'and where do you think I get the gold and silver from? Why, I sell my clothes to the grocer, the hatter, the bookseller, and cabinet maker, and one hundred others, and they pay me in gold and silver. And pray, Mr. Busybody, what would you have me do with it? Do you think my wife and family would grow fat on gold and silver?' Now, if there is any little boy or girl in this assembly, I hope they will go home, and for exercise write out that illustration of Reciprocity, and show it to any of their friends who may be seized with this crotchet respecting Reciprocity and the drain of gold, and see if they cannot laugh them easily out of their delusions."

CHAPTER XXVII.

POINTS TO BEAR IN MIND IN COMPARING STATISTICS OF TRADE OF DIFFERENT NATIONS.

LET us now take the case of one or two foreign countries, and see whether what we know of their trade is such as to make us fear that we are losing our hold on the markets of the world. In making any such comparison, two or three points must be remembered.

Comparison with other Nations.

First, as I have already pointed out, the increase of our own trade necessarily involves the increase of the trade of foreign countries. This must be so, whether they open their ports or not. If they reduce their duties contemporaneously with our reduction, their trade will increase by so much the more; if not, it will increase, but not so much. It is therefore to be expected and desired that the trade of foreign nations should increase when our own increases, and such an increase is not so much taken from us, but so much in our favour.

Increase of our Trade means increase of Foreigner's Trade.

Secondly, in comparing our own trade with that of other countries, it is common to take the whole exports of domestic produce as the test. But this is *nihil ad rem*, so far as our manufactures are concerned.

Manufactures the thing for us to compare.

We export little or no food, and little or no raw produce of the soil. If we wish to see whether other nations are progressing faster than ourselves, or, which is the more material point, beating us out of the market, we ought to confine our attention to what we produce ourselves. I have, therefore, in the following figures endeavoured to do this in a rough way.

Thirdly. It must be remembered that the following figures, taken from our statistics of exports, do not include the unseen exports which we make in the shape of ships and freight. These are as much the produce of English skill and labour as our cottons or our woollens, and probably amount annually, as above stated, to more than 50 millions, one-sixth of our whole exports.

Our Statistics of Export do not include Freight.

Fourthly. Even as regards manufactures, it ought to be no surprise to us that some nations are progressing faster than ourselves, or even competing with us in some articles in our own markets, if we hold our own as a whole.

We cannot keep all Manufactures.

We supplement Trade which we lose by new Inventions.

It seems sometimes as if we entertained the notion that we are to have a monopoly of manufacture, and we are frightened if we see that any article which we make is successfully made in another country. Nothing can be more absurd. Providence has given us no monopoly of natural gifts, and the very essence of the Free Trade doctrine is that each country shall do what it can do best. It is not a loss, but a great gain to us, if France sends to the world, and to us among the rest, her tasteful stuffs, and if America provides us with her ingenious labour-saving machines. We have been the first in the field with the great metal and textile manufactures, and we are still first in general mechanical skill. But the probability is that other countries will by degrees follow us successfully in the older manufactures and in the coarser productions; and that we shall still continue to invent and to supply the world with the newer products of scientific manufacture. As some evidence that this is actually the case, I may quote the following passage from Mr. Newmarch's exhaustive address to the Statistical Society, contained in the Society's *Journal* of June, 1878, p. 211. "Between 1856 and 1877 supplemental exports (viz., those not included under the great heads of Textiles; Sewed; Metals, Ceramics; &c.), increase threefold, viz., from 13 to 37 millions, and the proportion to the total exports rises from 11 to 19. The progression of the figures is rapid and large, and strongly suggestive of a vigorous and inventive trade in which the rapid appearance of new commodities is proportionally pressing open and enlarging the previous classifications and vocabularies." The supplemental list thus referred to contains, amongst a multitude of articles, such as biscuits, medicines, chemicals, painters' colours, musical instruments, telegraph materials, india-rubber and jute manufactures, &c., &c. To find that France, Germany and America are making cotton and woollen goods for themselves and exporting them is what we must expect. The question we have to consider is, what is our manufacturing position compared with the manufacturing position of countries which have Protective systems, and whether such success as they have has accrued to them in consequence of their Protective systems, or in spite of them.

In the tables appended, I have taken the exports of England, France, Germany and the United States at two different periods, and have divided them roughly into food, raw materials, and manufactures, and have endeavoured to see—first, what is the

amount of manufactures exported by each country; secondly, what proportion that amount bears to its total exports; and thirdly, how these proportions are progressing. I have said above, that I do not myself rely on the distinctions commonly drawn between raw materials and manufactures, and that there is a great difficulty in drawing any satisfactory line of distinction between them. The distinctions contained in these tables do not therefore pretend to accuracy. Pig iron, for instance, which is here classed as a raw material, is the product of one of our most important manufactures, is one of our chief exports, and is highly protected in many foreign countries. But I have taken the distinctions as made in tables which are already before the public; and, generally speaking, it may be said that what are here included under manufactures are special objects of protection in protectionist countries.

Exports of the United Kingdom in 1870 and 1880.

The case of England, as shown in these tables, is as follows:

EXPORTS OF DOMESTIC PRODUCE FROM ENGLAND. *

	Amount, in Thousands of Pounds.		Percentage of Total.	
	70.	1880.	1870.	1880.
	£	£		
Food	7,607	8,825	4	4
Raw Material . . .	13,744	23,272	7	10
Manufactures . . .	178,236	190,963	89	86
Total . . .	199,587	223,060	100	100

CHAPTER XXVIII.

STATISTICS OF FRENCH TRADE IN RECENT YEARS.

Imports & Exports from and to France before and since Treaty.

OUR direct imports from France, as is well known, exceed our direct exports to France, and they do this by an amount which exceeds anything due to us for freight and profit. But whatever the explanation of this excess may be, the proportion borne by exported English produce to French imports has

* See Table XVII., in Appendix, for the details.

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increased rather than diminished since the French Treaty, whilst the actual amount of English produce exported has tripled, thus showing that the excess of imports is not due to the character of the Treaty tariffs. The figures are as follows:—

Average of Three Years.	Imports from France.	British Produce exported.	Re-exports to France.	Total Exports to France.
1857—1859 .	14 millions.	5 millions.	5 millions.	10 millions.
1878—1880 .	40 ,,	15 ,,	12 ,,	27 ,,
In 1880 .	42 ,,	16 ,,	12 ,,	28 ,,

The exports from France, according to the French statistics for 1869, the year before the war, and for 1879, the last year for which the statistics are issued, are as follows :—

xports om rance 1869 and 879.

EXPORTS OF DOMESTIC PRODUCE FROM FRANCE. *

	Amount, in Thousands of Pounds.		Percentage.	
	1869.	1879.	1869.	1879.
	£	£		
Food	34,017	33,159	27·0	26·0
Raw Material . . .	21,482	25,210	17·0	19·8
Manufactures . . .	70,504	69,515	56·0	54·2
Total	126,003	127,884	100	100

The value of manufactures exported from France has therefore actually decreased in the decade, and its proportion to the value of food and raw materials exported has decreased also, whilst the whole exports have also decreased slightly. In fact, the trade has been stationary, whilst the English trade has largely increased, as shown above. It is, however, only fair to add that the trade of France has probably increased, like the trade of other countries, in 1880, but I have not been able to get the detailed figures. If to the above list of exports we were to add shipping and freights, we should find that the exports of England have increased much faster than those of France.

* See Table XVIII., in Appendix, for the details.

Half the articles on which duties are imposed by the French tariff are articles to be used solely or principally in further manufacture, *e.g.*, yarns of all kinds, cotton, silk and woollen, unbleached cloths, combed wool, iron and steel of all kinds, copper sheets and wire, coal, alkali, salt, tiles and bricks, and leather; whilst amongst all the rest are articles which conduce not less materially if less directly to production, by improving the condition of the workman, or by facilitating the conduct of business. I believe I might go through most of them, and show how France manages by imposing a protective duty to countervail her own natural advantages of soil, climate and human character, or to enhance her natural difficulties; whilst freedom from the weight of duties in our case enables us to take advantage of her deficiencies. The special cases of leather, silk, sugar and shipping, I have noticed more particularly below.

Duties Imposed France c Articles used in Manufac ture.

CHAPTER XXIX.

GERMAN TRADE IN RECENT YEARS.

THE exports from Germany for the same years are as follows :—

Expor:s from German in 1869 1879.

EXPORTS OF DOMESTIC PRODUCE FROM GERMANY.*

	Amount, in Thousands of Pounds.		Percentage.	
	†1869.	1879.	1869.	1879.
	£	£		
Food	28,356	37,948	25·6	27·3
Raw Material . .	38,383	47,283	34·7	34·0
Manufactures . . .	43,864	53,551	39·7	38·7
Total . . .	110,603	138,782	100	100

* See Table XIX., in Appendix, for the details.
† The values for 1869 are estimated only.

German Trade.

There is no doubt that German trade increased considerably during the decade ending with 1879, during which time she had the benefit of the French indemnity, and a reasonably free tariff. We know, however, that her commercial condition has not of late been satisfactory. Her case is specially interesting. One of the first of European nations, fresh from union and from triumph, with a large, ingenious, and industrious population, but without the enormous natural resources which have made the fortune of America, after making great progress towards Free Trade has thought fit, under the imperious guidance of her great leader, to turn back towards Protection. Her tariff of 1879, though not so high as the German tariff had been in 1860, was professedly and thoroughly protective; it increased the duties on everything from completed manufactures to food and raw material. The same policy was carried out on the railways, which were forced against their own wish and interest to carry imported and exported goods at local rates, just as our advocates of equal mileage would like to see done at home. Under these circumstances the result is a matter of great interest. We have for some time heard mutterings of disappointment. We have been told that the trade of the Baltic ports and of the railways which lead to them and to the Russian frontier, is seriously injured, that the price of corn has been raised to the poor, that emigration from Germany is increasing; and that the deposits in the savings banks are diminished. But we have not till lately been able to get any general account of German trade. A pamphlet has, however, recently been published by the Free Trade Association at Berlin, containing the reports of the Chambers of Commerce in Germany (eighty-five in number), on the trade of 1880, and giving in most cases their opinions on the new commercial policy. The general results are very striking. If, instead of drawing my arguments from the teaching of political economy, I had drawn them from this pamphlet, I should have used the same reasoning and almost the same language.*

Prince Bismarck's Protective Policy.

Its effects on German Trade, according to German Chambers of Commerce.

There is throughout these reports a concurrence of opinion that trade in Germany is depressed; that there was a slight improvement in the beginning of 1880, but that the impulse to this was given by the revival of trade in other countries; that their trade became depressed again towards the end of the

* See abstract of this pamphlet, and translation of the preface, recently published by the Board of Trade.

year, when the new tariff had come fully into operation; that the internal demand for manufactures is slack; that the price of raw material is high; that food is dear; and that the working classes are worse off than they were.

Effects of Protection Policy on German Trade.

The preface to this pamphlet says, "Perhaps no critic of this new system was prepared for the rapidity and the decision with which the consequences of the new tariff have shown themselves — first, in increasing the difficulties of trade; secondly, in raising the prices of the necessaries of life; thirdly, in injuring the prosperity of the labouring classes." Most of the Chambers which express an opinion on the new commercial policy dislike it, and attribute to it much of the present depression; some approve it, but even these are dissatisfied with the actual results, and either seek for more protection, or—what is, perhaps, the severest condemnation of protection—they ask that, when they export their manufactures, they may have drawbacks of all the import duties which have been paid on their materials. In short, they seek to sell cheap abroad and dear at home; which, absurd as it is, is not wonderful when we are told that some of the ironmasters in Germany are now taking contracts for steel rails abroad at lower prices than those at which they sell them in Germany. Protection has, indeed, reached its *ne plus ultra* of folly, if a Government is first to tax all its subjects in order to enable its own manufacturers to sell dear at home, and then to tax them over again in order to enable the same manufacturers to sell cheap abroad.

The result of recent elections in Germany gives additional importance to such expressions of opinion as are contained in this paper; and they derive additional importance from the fact recently stated in the newspapers, that Prince Bismarck has taken steps to subject any future expressions of opinion by the Chambers of Commerce to his own official control. At the same time, I do not wish to make more of these reports than they are worth. German trade shared in the temporary revival of 1880, and it will, no doubt, share again in the revival now taking place in the trade of other countries. And it will very likely then be said that such revival is due to their Protective system. But the opinions of the Chambers of Commerce show that hitherto it has not succeeded, and that they expect it to be a disappointment in future.

CHAPTER XXX.

UNITED STATES' TRADE.

LET us next take the case of the United States. They levy, as is well known, enormous duties, ranging up to 50 per cent., and even 100 per cent., on almost everything that is made with hands. With all this, they are at this moment in a state of great prosperity. But it is not long ago that we heard of depression in the towns of the United States far more acute than any which our workmen have laboured under. The recent growth of their trade is very remarkable.

The following is an analysis of their export trade in 1870 and 1880, excluding bullion and specie:—

xports of 'nited tates in 870 and 880.

EXPORTS OF DOMESTIC PRODUCE FROM THE UNITED STATES.*

	Amount, in Thousands of Pounds.		Percentage.	
	1870.	1880.	1870.	1880.
	£	£		
Food	21,660	96,694	28·6	56·3
Raw Material . .	45,600	57,199	60·1	33·3
Manufactures . .	8,609	17,763	11·3	10·4
Total . . .	75,869	171,656	100	100

But it is desirable to go a little further back, and for this purpose I take the figures from a very interesting article on United States' trade in the *Times* of the 7th November, 1881. If the figures do not correspond exactly with those given above, it is because the following figures include bullion and specie; and because, in the figures for 1880, the dollar is taken at 4s. in the *Times* article, and at 4s. 2d. in the figures given above.

* See Table XX., in Appendix, for details.

The following are the exports of the United States and United Kingdom respectively, since 1840:— Exports of United States and United Kingdom in each decade since 1840.

EXPORTS* OF DOMESTIC PRODUCE, IN THOUSANDS OF POUNDS.

	United States.	United Kingdom.
1840	£22,779	£51,309
1850	27,389	71,367
1860	74,637	135,891
1870	84,100	199,586
1880	166,658	223,060

If to these figures were added the figures representing those exports which each country makes in the form of its shipping, the comparative growth of the trade of the United Kingdom would appear to be very much larger, especially in later years, during which the shipping of the United States has been diminishing, and that of the United Kingdom largely increasing.

It will be observed in the above figures that the trade of the United States increased little between 1860 and 1870, no doubt in consequence of the exhaustion caused by the civil war; and that this leeway was made up in the subsequent decade. The most important observation, however, is that during the whole of the periods above mentioned the population of the United States grew much faster than that of the United Kingdom; and that, if we take the amount of trade per head of each country in each decade, the trade of the United Kingdom has grown much faster than that of the United States. The following are the figures:— Growth of Population in the two Countries.

EXPORTS PER HEAD OF THE TWO COUNTRIES. Comparison of Exports per head.

	United States.	United Kingdom.
1840	£1 11 1	£1 18 9
1850	1 6 2	2 11 10
1860	2 10 11	4 14 7
1870	2 6 11	6 7 11
1880	3 8 1	6 9 5

These are not figures to alarm us. It is idle to expect that 30 million of people shall produce as much as 50 million of the same people.

* The exports from the United States include bullion and specie. Those from the United Kingdom do not. But this will make very little difference.

uses of nited ates' osperity.

The United States are probably, however, at this moment one of the most prosperous nations in the world.

The source of their prosperity is not far to seek. It is not to be found in those industries which they try to cherish by Protection, but in the raw productions of the fertile soil and climate of their immense territory. They have 50 millions of the most industrious and energetic people in the world; they have a country as large as Europe, with every variety of good climate, and with an unlimited area of unexhausted soil. They have excellent communication throughout all the parts of this immense area. Besides this, though shut off by their tariffs from the rest of the world, they have absolute Free Trade within their own borders. It is as if there were no custom houses within the limits of Europe. Besides this, they have the Old World wanting food, and affected by bad harvests. No wonder, then, that they supply the world with food and agricultural produce. Only a tenth of their population is concerned in trade. The export of manufactures from the United States in 1880 was 17¾ millions sterling, whilst our own export of manufactures in the same year was 190 millions. Even in their own highly protected market, our manufactures are sold to the extent of 24½ millions a year; whilst in our open market theirs are only sold to the extent of 2½ millions. With great facilities for producing iron and steel, and with a considerable native production, prices were so high in 1880 that, in spite of the duty of 40 per cent. imposed on foreign iron, we were able to send them £10,000,000 worth, whilst what they sent us was worth £200,000.

ture their ports.

Their exports were very large in 1880, and have increased enormously in the decade; but of what do they consist?

Ninety per cent. are food and raw materials, whilst the manufactures which they try so hard to foster and protect do not amount to more than 10 per cent. Their shipping, as we shall see below, is not one-fourth—or, if we count one ton of steam as equal to four of sailing, not one-seventh of our own. Of their whole trade they carried 75 per cent. in their own vessels in 1850, and only 16 per cent. in 1880. Food constituted 56 per cent. of their exports in 1870, and the amount of food which they export has increased more than fourfold since that year. If we were to include freights of shipping in the exports of manufactures, their exports of manufactures would show a decrease instead of an

increase. The things which they have not protected they provide the world with; in the things which they protect, and we leave free, they are nowhere in the race. So much stronger is Nature than human law—so great are the advantages which Freedom has over Protection.

The real moral to be drawn from American trade is the Free Trade moral—viz., that the free development of natural advantages, and the free exchange of natural products, are the true sources of commercial prosperity.

CHAPTER XXXI.

TRADE OF CANADA AND AUSTRALIA.

Trade of Canada since new Canadian Tariff.

It is too soon to trace the effect of the Canadian tariff of 1879 on her trade, and it is especially difficult to eliminate other causes which have affected it. It would have been very strange if Canada had not, tariff or no tariff, participated in the revival which has taken place in the trade of the American continent; it would be doubly strange if, with her natural capacity for producing corn, and with the recent scarcity in Europe, she had not very largely increased her exports. For those exports she must be paid, and we should therefore also expect to see her imports increase very largely, and with them her customs revenue. We do find an increase, but by no means a very large one. In 1880, after the new tariff, the amount received as customs revenue had increased over that received in 1878, the year before the new tariff, by a little more than a million of dollars. The duties in 1880 amounted to about 20 per cent. in value of the whole imports of the country. In 1874 and 1875, before the new tariff, the duties constituted only from eleven to thirteen per cent. of the value of the imports, and in those years the customs revenue was much larger than it was in 1880.

Comparing the trade of 1878, the year before the new tariff, with 1880, the last year since the new tariff, we find that the imports were 90 millions of dollars in the former year, and 86½ millions in the latter year; whilst the exports were 79 millions in the former, and 88 millions in the latter. In 1873–74 the

imports had been 128 millions, and the exports 89 millions of dollars. Considering the immense demand of Europe for corn, it is surprising that even with the check on her industry imposed by the new tariff, the increase of exports in 1880 should have been so small as it is. But Canada has succeeded in reaching the millennium of the Protectionists; she has considerably reduced her imports, and for the first time since 1868 she has made her exports exceed her imports. She has managed, so far as her statistics tell the story, to give to foreign countries a good deal more than she has received from them in return. This, in the case of a new country seeking for capital from England, a country too, which owns a great deal of shipping, and which must therefore have large invisible exports in the shape of freights, is a truly remarkable result, and one of which Protectionists may well be proud! Canada has, probably, succeeded in calling into existence some weak manufacturing interests which will prove a thorn in her side, but she has done so at the expense of her natural industries, and has checked the flow of capital and labour from Europe, of which she stands in so much need. We have heard whispers in this country of a desire for bargains with England, under which England should either advance money to her, or give some preferential treatment to Canada as the price for a reduction of her duties on English goods. Whether such proposals have ever been entertained or made by men of influence in Canada, I do not know. But the chilling reception all such notions have met with in this country, ought to be a lesson to Canada, and to other Protectionists, that if you want to win the favours of your mistress, it is a very bad plan to put on a fit of sulks in order to make your return to good-humour the price for her smiles. The Protectionist policy of Canada is deeply to be regretted by all her well-wishers here, not because it injures the trade of England, for to that trade it is a comparative trifle, but because it tends to cripple the industry of Canada, and to create a bad feeling between the two countries.

Canada has succeeded in making her Exports larger than her Imports!

The case of Victoria and New South Wales is particularly interesting, because the two colonies are in many respects similarly situated; and whilst the one, Victoria, has embraced Protection, the other (New South Wales) has remained steadfast to Free Trade. Both have progressed; but New South Wales has made by far the greater progress of the two. The following short *résumé* of the facts derived from official papers was sug-

Comparison of growth of Trade, &c., in Victoria and New South Wales.

gested by Mr. Baden Powell's paper on the subject, read at the late meeting of the British Association, and I forbear to give my readers or myself the trouble of a detailed criticism of the statistics, because Mr. Powell's paper is published in extenso in the *Fortnightly Review* for January.

It appears, on comparing the progress of the two colonies for the last decade, that the following are the general results:—

—	Victoria.	New South Wales.
Population . .	has increased from 726,000 to 860,000, or 18 per cent.	has increased from 502,000 to 770,000, or 53 per cent.
Excess of Immigrants over Emigrants	stationary . . .	has increased from 4,000 to 19,000.
The Value of Rateable Property	has increased by less than one-half	has more than doubled.
Customs Revenue .	stationary . . .	has increased by nearly one-half; and is, with a less population and low tariff, nearly as great as that of Victoria, with a large population and high tariff.
Imports . . .	have increased from 12½ millions to 14½ millions, or 17 per cent.	have increased from 7¾ millions to 14 millions, or 80 per cent.
Exports . . .	have increased from 12½ millions to 16 millions, or 28 per cent.	have increased from 8 millions to 15½ millions, or 94 per cent.

These facts need no comment from me.

CHAPTER XXXII.

SPECIAL INSTANCES OF THE EFFECTS OF PROTECTION DUTIES ON PRODUCTION—LEATHER, SUGAR, SALT.

THERE are one or two special illustrations of the benefit of free tariffs in forwarding production, which it may be worth while to mention specially.

Leather, Increase of Manufactures of.

At the recent Leather Exhibition in this country it appeared that the exportation of boots and shoes from this country was largely increasing, whilst the importations from France and other countries were decreasing, and at the same time the importation of tanned and dressed hides into this country was largely increasing. The following is the statement in the report in the *Times* of the 27th September, 1881:—

"The increase in the number of exhibits this year as compared with last is, roughly speaking, proportional to the improvement which has in the interval taken place in the trade of our boot and shoe manufacturers, the Board of Trade returns for the seven months ending July 31st, this year, showing that we exported 3,277,740 pairs of boots and shoes in that period against 2,800,992 in the corresponding period of 1880, and 3,071,424 in 1879. Our Australian colonies took 1,309,752 pairs. The imports of boots and shoes, on the contrary, showed a decline. While 1,041,624 pairs were imported from France and other countries in the first seven months of 1879, only 711,420 pairs were imported in 1880, and but 572,232 pairs in the corresponding period this year."

"From these figures it is argued that our English manufacturers are rapidly improving the quality and finish of their goods, and are so enabled to compete successfully with Continental makers. Of materials, on the other hand, importations show an increase. In the first seven months of 1879 we imported 21,144,765 pounds weight of tanned and dressed hides; in 1880 the quantity had risen to 26,516,269 lbs., and in 1881 to 28,686,360 lbs."

Free Importation of Foreign Hides.

It further appeared from the speech of Mr. Jackson, M.P., that we import tanned leather to the value of three millions a year, that much of this leather comes from America, and that live cattle come here from America, that they are killed here, that their skins are sent back to America to be tanned, and that they are then sent back here to be used in manufacture. The reason, as I am informed, is not that we do not tan hides as well as the Americans; but that they, adopting newer and rougher methods, do the first part of the process more quickly and cheaply than we do, so that it is worth while to commence tanning in America, and then send back the hides to be completely tanned, and then used, in England. If so, it is a remarkable instance of modern division of

labour, and of the advantage of free, cheap, and speedy communication.

Leather, Tanning and Mar factures

It would, no doubt, save labour and expense if we could do the whole of the process of tanning as cheaply as the Americans, and it is to be hoped we may learn to do so. But our present system gives us both the finer process of tanning and the manufacture for export as well as for home consumption of cheap boots and shoes; whereas, if we imposed a tax on tanned hides for the supposed benefit of our tanners, we should probably destroy all prospect of improvement in our own tanning, and we should still more probably ruin our manufactures of boots and shoes, and divert it to our foreign rivals.

In turning to the returns, in which attempts have been made to discriminate between raw materials and manufactures, I find tanned hides inserted among manufactures. And in turning to the tariffs of foreign countries, I find that tanned leather is subject to a duty in France, Germany, Russia, Denmark, Sweden, Norway, Austria, Italy, and the United States. Mr. Jackson says that France is contemplating a duty of 400 per cent. on manufactured articles of leather. She would become a more formidable competitor if she would give to her skilful and ingenious workers in leather the benefit of untaxed hides.

Raw Su cheap to dear to France.

Take, again, the article of sugar, of which we have heard so much lately. Austria and Germany, at their own cost, make raw sugar unnaturally cheap by giving a bounty on its exportation. On the raw sugar, though much importuned by certain special interests, we do not, and I trust never shall, impose a duty. France, on the other hand, imposes on raw sugar a considerable duty for the benefit of her sugar growers. The consequence is that, though she grows beet sugar, whilst we cannot, her refiners have to pay a comparatively high price for raw sugar, whilst ours get it duty free. The export of refined sugar from France is decreasing, and refining is increasing in England; and, whilst our refineries increase, our people, at the same time, get cheap sugar. French production of sugar has decreased from 425,000 tons in 1878 to 320,000 tons in 1880, and her exportations from £2,097,526 to £1,556,836 worth. In this country the production of refined sugar is largely on the increase, having risen from less than 430,000 tons in 1864 to upwards of 700,000 tons in 1880. France, it

is said, contemplates increasing her tax on foreign raw sugar. She would stand a better chance of competing were she to abolish it altogether.*

lt, ench ıty on.

Take, again, salt. Salt enters largely into manufacture. It is a chief material of alkali, and alkali of glass. France imposes a heavy duty on salt. In this country it is free and cheap. We export a large and increasing quantity of alkali (7,000,000 cwts. in quantity, and £2,400,000 in value, in 1880), and a large and increasing quantity of glass (£1,000,000 in value in 1880), whilst neither alkali nor glass appear among the principal articles of French export. Chemicals in the French list may possibly include "alkali," but, if so, I find that the export of French chemicals has increased little, if at all, in the last 10 years, and is now only 58,266,000 francs, whilst the export of English chemicals has increased from £733,422 in 1866 to £2,384,021 in 1880. In this case we can probably produce salt more cheaply than France, owing to our geological formations. But she enhances her natural difficulties by an artificial one.

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Again, if we take silk, which is a special French manufacture, it appears that France exported to us silk goods, the produce of her own manufacture, to the amount of 6¼ millions sterling in 1860 before the French treaty came into operation, and to the amount of 10½ millions in 1866, whilst the amount she exported to us in 1879 was only 3¾ millions; and I am informed that this diminution is due to the protective duty she levies on cotton yarns, which are wanted to mix with the silk, and which her manufacturers have consequently to pay dear for, whilst her successful rivals in Switzerland get their cotton yarns duty free. Meanwhile, I find that the exports of silk manufactures from England, which had dropped from a million and a half in 1860 to a million in 1867, have risen in 1880 to two millions.

* See Parl. Paper, No. 422 of 1881.

CHAPTER XXXIII.

SHIPPING.

Shipping the United Kingdom

So much has been said about shipping that I am almost afraid of referring to it, but it is so striking an instance of the advantages of freedom and the impotency and mischief of protection, that I must state the figures again. Most of the following are taken from the Appendix to Mr. Chamberlain's speech, as published by the Cobden Club.

Statement of the Percentage of the Foreign Trade of the United Kingdom carried on in British Ships compared (in thousands of tons).

Average of Three Years.	Total Foreign Trade (Thousands of Tons).	Total carried in British Ships (Thousands of Tons).	Proportion of Total Trade carried on in British Ships (Per cent.).
1854-6	19,582	11,537	59
1857-9	22,798	13,299	58
1860-2	25,940	15,094	58
1863-5	27,613	18,193	66
1866-8	32,566	22,095	68
1869-71	37,699	25,632	68
1872-4	44,123	29,485	67
1875-7	49,531	33,051	67
1878-80	54,349	38,025	70

Statement showing the Proportion of the Tonnage of the United Kingdom to the Tonnage of certain Foreign Countries at different Dates, multiplying steam tonnage by FOUR *to reduce it to a common denominator with sailing tonnage (in thousands of tons).*

Year.	United Kingdom.		Foreign Countries.		Total (Thousands of Tons).
	Thousands of Tons.	Per cent. of Total.	Thousands of Tons.	Per cent. of Total.	
1860	5,942	42	8,143	58	14,085
1870	8,950	49	9,217	51	18,167
1880	14,679	55	11,992	45	26,671

The foreign countries included are:—France, Germany,

Holland, Belgium, Austria, Hungary, Italy, Sweden and Norway, Denmark, Greece, and the United States (oversea tonnage).

TONNAGE BELONGING TO THE UNITED KINGDOM.
(In Thousands of Tons.)

1850 (The Date of the Repeal of the Navigation Laws) { 3,397 Sailing. 168 Steam. 3,565 Total.

Years.	Sailing.	Steam.	Total.	Years.	Sailing.	Steam.	Total.
1869	4,765	948	5,713	1875	4,207	1,945	6,152
1870	4,578	1,113	5,691	1876	4,258	2,005	6,263
1871	4,374	1,320	5,694	1877	4,261	2,139	6,400
1872	4,213	1,538	5,751	1878	4,239	2,316	6,555
1873	4,091	1,714	5,805	1879	4,069	2,511	6,580
1874	4,108	1,871	5,979	1880	3,851	2,723	6,574
Annual Average	4,355	1,417	5,772	Annual Average	4,148	2,273	6,421

NOTE.—It seems important to notice that while the aggregate of sailing and steam tonnage has increased, the increase is exclusively in steam tonnage, which is more effective than sailing tonnage as three or four to one.

French Shipping.

TONNAGE BELONGING TO FRANCE.
(In Thousands of Tons.)

Years.	Sailing.	Steam.	Total.
1840	652	9	662
1850	684	14	688
1860	928	68	996
1870	921	151	1,072
1879	676	255	932

United States Shipping.

OVER-SEA TONNAGE BELONGING TO THE UNITED STATES.
(In Thousands of Tons)

Years.	Sailing.	Steam.	Total.
1840	896	4	900
1850	1,541	45	1,586
1860	2,449	97	2,546
1870	1,324	193	1,517
1880	1,206	147	1,353

*Total Trade of the United States carried in United States and Foreign Vessels respectively, with the Percentage carried by each (in thousands of dollars).**

Years.	In American Vessels.	In Foreign Vessels.	Percentage in American Vessels.
1840	198,424	40,802	82·9
1850	239,272	90,764	72·5
1860	507,247	255,040	66·5
1870	352,969	638,927	35·6
1881	268,080	1,378,556	16·2

Total Tonnage Entered and Cleared in the United States, in each of the years 1850, 1860, 1870, *and* 1880 (*years ended* 30*th June*), *distinguishing American, British, and other Foreign Vessels** (*in thousands of tons*).

Years.	Tonnage.				Percentage.			
	American.	British.	Other Countries.	Total.	American.	British.	Other Countries.	Total.
	Tons.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.
1850	5,206	2,845	659	8,710	59·77	32·67	7·56	100
1860	12,087	4,068	910	17,065	70·33	23·84	5·33	100
1870	6,993	9,246	2,085	18,324	38·16	50·46	11·38	100
1880	6,834	20,697	8,523	36,054	18·95	57·41	23·64	100

Early prom se United States Shipping

Our success, it is to be observed, has taken place since we repealed our Navigation Laws, and deprived our shipowners of every privilege, whilst we have also given them free access to every market for their materials. In Europe we might have expected to remain supreme, but, within my own recollection, the United States were formidable rivals. When I was a boy American liners were the pride of Liverpool, and careful observers prophesied that United States shipowners must become the carriers of the world. The following passage from De Tocqueville's "Democracy in America" (Vol. ii., Chap. x.), is curious enough to deserve quotation.

De Tocqville's Prophecy

"From the Bay of Fundy to the Gulf of Mexico the coast of the United States extends for nearly 900 leagues. These shores form a single, uninterrupted line; they are all under the same rule. There is no nation in the world which can offer to commerce

* From the United States statistics.

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ports with greater depth, greater width, and greater safety. . . . . Europe is, then, the market of America, as America is the market of Europe; and maritime trade is as necessary to the inhabitants of the United States, to bring their agricultural produce to our ports, as to take our manufactures to them. The Anglo-Americans have at all times shown a decided taste for the sea. Their independence, in breaking the commercial links which bound them to England, gave a new and powerful impulse to their maritime genius. Since that time the number of the ships belonging to the Union has increased nearly as fast as the number of its inhabitants. At this day it is the Americans themselves who carry to their homes nine-tenths of the imports from Europe. It is the Americans, too, who carry to the consumers of Europe three-quarters of the exports of the New World.* The ships of the United States fill the ports of Havre and Liverpool. One sees but few English or French ships in the port of New York. Thus, not only does the American merchant brave competition on his own soil; he competes successfully with foreigners on theirs. . . . . I think that nations, like men, almost always show from their youth the powerful features of their destiny. When I see the spirit with which Anglo-Americans carry on trade, the facilities they possess for doing it, the success which they attain in it, I cannot help believing that they will one day become the first maritime power of the globe. They are impelled to take possession of the sea as the Romans were to conquer the world."

Such was De Tocqueville's prophecy in 1835. And now the ships of the United States are not one-fourth or, if steam is taken into account, not one-seventh of those of England! And whilst American ships carry less than one-fifth of the whole trade of the United States, British ships carry much more than one-half of that trade.

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England has 55 per cent. of the ocean tonnage and carrying trade of the entire world, and America is nowhere. If England has special advantages from nature, other nations have the same. As De Tocqueville truly remarks,—in seaports, in harbours, in human skill and industry, and in natural aptitude for the sea, America is not inferior to ourselves; of coal

* At this day, 1881, according to the statistics of the United States, 16 per cent. in value of their trade is carried in United States ships, and 84 per cent. in foreign ships, of which more than two-thirds are British.

and iron she has an ample store; her geographical position is as good as ours. Every port in the world, our own included, is as free to American ships as to ours, whilst the Union closes her trade between her Atlantic and Pacific ports to our ships. But whilst we leave our shipowner to buy his materials and build and buy his ships where and how he pleases, America refuses to place a foreign-built ship upon her register, and imposes a duty of 50 per cent. on the materials of shipbuilding. At the same time, whilst she thus protects her shipowners out of existence, she leaves her capital and energy free to devote themselves to the production of food in her boundless realms of virgin soil, and the consequence is that, whilst she is developing with extraordinary rapidity those natural resources of soil and climate, with which her laws have not directly interfered, she has surrendered to us the field in which nature allows us to compete, and which, at one time, she seemed destined to win also.

Shippi compa with Railwa Interes

We are accustomed to think our railway interest an important interest, and so it is. But in current expenditure on skilled labour our shipping interest is still more important. The fixed capital of the railways is over 700 millions; the fixed capital in ships is probably not a fourth or fifth of that amount. But the working expenses of the railways in 1880 were 33½ millions, whilst the outgoings on shipping, which give employment and remuneration to a great variety of forms of skilled labour, probably amount to nearly double that sum. The gross income of the railways in 1880 was 65½ millions. What the gross income of shipping was we have no means of estimating exactly; but it must have been very large indeed, probably much more than that sum. Our shipping interest is one of which the nation may well be proud.

CHAPTER XXXIV.

BAD CONSEQUENCES OF RETALIATION, SUPPOSING IT POSSIBLE, AND SUPPOSING A CASE COULD BE MADE FOR IT.

Conse- quence Retalia

WE have seen that retaliation would be an impotent weapon in our hands: that to retaliate on articles of food, or of raw material, is out of the question; and that to retaliate on manu-

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factures, as proposed by the Fair Trade League, or on luxuries, as proposed by Lord Salisbury, would have no effect except that of exposing us to a far more dangerous retaliation in return. We have also seen that our position as Free Traders in the midst of Protectionist countries is not such as to call for a change in our policy. But, assuming that all these things were unproved; supposing that a fundamental change is necessary; and supposing that a retaliatory policy were possible for us, it is worth while to consider what its consequences would be.

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1. One effect of retaliation would be to deprive English people of the goods they can buy better and cheaper abroad. This, if confined to luxuries, would, perhaps, be the least of the evils caused by it. If the only effect of a high tariff were to limit the sums expended on the hothouse, the shrubbery, the game preserve, the hunting stable, the race-course, or the ball-room, there would be comparatively little objection to it. The national loss would be small, but the effect, whether for fiscal or economical purposes, would be small also. If retaliatory duties are to have any real effect, they must touch things which a great many people want and use; and in this case the comfort and convenience of a large number of people would be seriously affected.

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2. A second effect of retaliation would be to diminish the sale and manufacture of English goods. Goods of foreign make bought for our use at home are *ex hypothesi* better and cheaper than similar goods of native manufacture. Goods of English make bought for use by foreigners abroad are *ex hypothesi* better and cheaper than similar goods of foreign manufacture. If English people are prevented from buying abroad, and foreigners from buying here, there will be less produced, less profit made, and less to spend in return on both sides. The Frenchman who sells his silk to us makes more profit, and buys directly or indirectly more of our goods in return than the English silk merchant would do if we were to compel English people against their will to use English silk instead of French silk.

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3. We should cripple our own trade by depriving it of materials. Many, if not most, articles are made for further use in manufacture. What is a manufactured article in retrospect is raw material in prospect, as I have shown in the case of sugar and dressed hides.

4. We should also stunt and cripple our manufactures, by

bestowing the fatal gift of Protection upon them, and depriving them of the stimulus of foreign competition. At this moment our leather trade suffers by American competition, because the Americans tan hides cheaper than we do. Our Bradford fabrics are or have been suffering, because our wives and daughters have found French or German woollens pleasanter or prettier than Yorkshire goods. If we were to exclude American leather, or French woollens, we should exclude the stimulus requisite for improvement in the tanneries and woollen mills of England, and very likely stop the improvement in these particular manufactures which is at this very moment in progress.

We shou lose the stimulus of Competition.

5. A further and a most serious evil has not been sufficiently considered. We are not now arguing with Protectionists, who wish to keep out foreign goods altogether; we are arguing with people who wish to exclude foreign goods only in order to make foreigners admit English goods. Now what will be the position of our unhappy protected interests when retaliation has effected its purpose, and when the foreign nation against whom it is directed offers us a free tariff on the condition of our repealing our protective duties? We shall have nursed up a miserable interest, feeble for purposes of production, as protected interests always are, but powerful in the lobbies, and clinging with tenacity to its protective duties, which will then be seen to stand in the way of other and more important interests. This unhappy interest will either maintain itself to their detriment, or it will be sacrificed for their benefit, and its last state will be worse than its first. The ribbon-weavers of Coventry have time out of mind been complaining of bad trade and foreign competition. Since the French Treaty they have, at any rate, known their fate, and Coventry has other manufactures and other prospects of prosperity. It would be the height of cruelty to tempt capital and labour back into the ribbon trade by the prospect of a protection against French ribbons, to be withdrawn as soon as the French people become alive to their own true interests, and repeal their duties on English iron and cotton.

Last state of Protecte Interests worse th the first.

6. A seventh evil of retaliation peculiarly evident to the official mind, but not the less a great public evil, is that it would lead to all the confusions and difficulties which arise from duties differing according to the nationality of the goods, and all the mischiefs and frauds attendant on certificates of origin. A generation has passed away since the reforms of the

Confusio at the Custom House.

tariff swept this troublesome rubbish into the official waste-paper basket. Those who were at work then can remember what a relief that reform was. But the mischiefs formerly caused to trade in its then contracted state were as nothing compared to the evils which such a system would now inflict on trade, considering the infinitely greater number of commercial dealings which now take place, and the infinitely greater speed with which they must be conducted.

CHAPTER XXXV.

PRACTICAL APPLICATION OF RETALIATORY DUTIES TO FRENCH SILKS AND FRENCH WINES.

etaliation the case Silk.

LET us see how Retaliation would work in an actual and not improbable case. If we should be so unfortunate as to fail in the present negotiations with France, there will be a cry for Retaliation, and it will be a formidable one, for it will unite in one current special interests which desire Protection, general feelings of indignation and political temptation. A heavy tax on French silk will probably be pressed upon the Government. Silk is, comparatively speaking, a luxury, and it is an important French manufacture. According to our own statistics, we imported silk to the value of about 10 millions sterling from France in 1880. There is some reason to doubt these figures, as the exports from France to England, according to French statistics, are only 6½ millions, of which 3¾ millions are French manufacture; but it is certainly an important article of French manufacture and export. We also make and export a large quantity of silk manufactures, amounting in 1880 to about 2 millions. Let us see what would be the consequence of a high protective duty on French silk imported into England.

lk would worse d dearer England.

1. English people would get their silk goods less good and less cheap. This, it may be said, is a trifle. Silk is a luxury, and people can do very well without it. I will admit that it is not the most important of articles; but is it a trifle to make the handkerchief, the ribbon, the Sunday gown dearer and uglier? Is it a trifle to take from our people one of the few articles which add grace and beauty to our somewhat sombre and dreary

life? Speaking in the interest of those who can spend little upon mere beauty and ornament, I cannot come to any such conclusion.

2. It will diminish the quantity of English goods which are now sent, directly or indirectly, to France in return for French silk. This is beyond doubt. Whatever France sends us we pay for, and we pay for it in something we can make better than she does; we shall lose a certain quantity of French custom, directly or indirectly. But it will be said, "The money now spent by English people on French silk must be spent on something else; that something will probably be silk made in England, and so English labour and capital will be employed as much and as profitably as if they were employed to pay the French for their silk."

Fewer English Goods will be made and sold in Exchange.

The rejoinder is clear: they will be employed, but not as much or as profitably. *Ex hypothesi* the French make the silk they send us better and cheaper than we do; they can make more profit out of it, and can therefore spend more on other goods of ours in return. On the other hand, it is equally clear that the English capital and labour which we are going to divert into the silk business is now employed on something which pays better than silk, or they would be employed in making silk. Consequently, by diverting this labour and capital to silk-making we are making it less profitable than it was before the tax. There will be a loss all round.

3. It will deprive our own silk manufacturers of the stimulus for improvement now arising from French competition; and this, considering the value of French taste and ingenuity in improving the beauty of manufactures, is no small consideration.

Silk manufacture in England will not be stimulated by competition.

4. It will call into existence a protected manufacture, weak and sickly as such manufactures always are. Who that remembers the constant distress of the Spitalfields weavers in the days of Protection, can desire to see English money and English workmen again tempted by protective duties into such a business?

A weak manufacture will be fostered.

5. It will not only coax a miserable trade into existence, but if Retaliation answers the purpose of its promoters, and the French are induced by our refusal of their silks to offer to take our cottons and wool and iron on reasonable terms, we shall be forced to abandon this protected trade to the tender mercies of French competition. We shall have indulged it and pampered it only to betray and desert it.

And this weak interest will hereafter be deserted.

The Custom House will have to distinguish the Country of origin of all imported Silk.

6. In the meantime we shall have to distinguish at the Custom House between French-made silk and all other silks; for it is an essential part of the policy of Retaliation and Reciprocity that we are not to place these duties on the goods of countries which take our goods free. Switzerland, for instance, and probably Italy, send their silk goods to us through France. French goods may be sent to us through Belgium or Holland. We must therefore ascertain, before we allow any bale of silk goods to be landed in England, whether they have been made in France or in some other country. Conceive the confusion, difficulty, and delay which such official obstructions would cause. They would injure trade more than the tax itself.

Retaliation on Wine.

In silk I have taken a manufacture which is carried on both in France and England, and in which, therefore, Retaliation involves Protection to English manufacture. This would not be the case with wines, to which X. (the writer in the *Pall Mall Gazette*, to whom I have referred above) points as an article on which we might properly lay a retaliatory duty. If, in consequence of the treaty dropping, our hands are freed, and if either fiscal or social reasons lead us to desire to alter our wine duties, by all means let it be done; but if they are to be purely retaliatory—that is, if we impose duties which we know to be injurious to ourselves for the purpose of injuring France, and thereby compelling her to reduce some of her duties on our goods—then they would be open to all the objections I have pointed out in the case of silk. They would, it is true, not protect our manufactures of wine, as we have none, but they would protect the wine-growers of Spain, Italy, and Germany, which it is certainly not our object to do. In all other respects such duties would be followed by every one of the evil consequences I have pointed out as the consequences of a retaliatory duty on silk.

CHAPTER XXXVI.

PROTECTION FOR THE PURPOSE OF CHECKING A TOO EXCLUSIVE DEVELOPMENT OF AGRICULTURE.

Retaliati where Pr tection is adopted check exclusive Agricul- ture.

THERE is one attitude of young Protectionist countries towards trade which remains to be considered—viz., that of those who admit that they are incurring economical loss by their policy, but who, notwithstanding, resolutely exclude foreign manufactures, on the ground that the cultivation of the soil and the export of raw produce are not by themselves industries sufficient to promote national progress; and that it is the interest and business of the State to foster other forms of industry, in order the sooner and the better to form a completely developed society. These views are probably wrong; but they deserve more attention than they commonly receive from us, and are less easy to answer than the ordinary Protectionist fallacies. But, right or wrong, Retaliation against this class of Protectionists is still more foolish than against others. Retaliation plays their game exactly; it is their professed object to force their own labour and capital out of its natural channel—the tilling of the soil—and to turn it artificially into the channels of manufacture. By refusing to take their raw produce we help them in effecting this object; for we make their natural productions less valuable. So far from fearing Retaliation as an injury, they will accept it as a friend and an ally; so far from being frightened into opening their ports to our manufactures by the refusal of their raw produce, they will hail that refusal as the complement of their own policy.

CHAPTER XXXVII.

RETALIATION DOES NOT ONLY NOT EFFECT ITS OBJECT, BUT HAS A CONTRARY EFFECT.

Retaliati will provoke Retalia- tion.

ALMOST any one of the objections above noticed appears to me to be fatal to the principle of Retaliation; but there is still anohter objection, which has as great weight as any of them. Retaliation is not calculated to effect its object; it is calculated

Retaliation produces Retaliation.

to effect the very opposite. It grows upon itself. It provokes further Retaliation, until the nations are hopelessly alienated. A little consideration will show how natural this is, and how little reason we have to expect a favourable result from it.

It shows Mistrust in our own Principles.

In the first place, we lead Protectionists to think that we do not believe in our own principles. "See," they will say, "what England is doing. She professes to believe that the lowering of import duties is a good thing in itself, and yet she is taking the first opportunity to raise her own. We will follow her example rather than her precepts."

It arouses antagonism.

In the second place, a natural feeling of antagonism is aroused; and feeling is often stronger than self-interest. "We are giving so much, and you give so little; we will punish you by giving less." Canning's well-known despatch involves a political, if not an economical truth:—

> "In matters of commerce the fault of the Dutch
> Is giving too little and asking too much;
> With equal advantage the French are content,
> So will clap on Dutch bottoms 20 per cent."

It needs no thought to feel angry at an over-reaching bargainer; it needs much thought to see that the over-reacher over-reaches himself more than he over-reaches us—that we are the greatest gainers by what we have given him.

Strength of protected interests.

But this is not all. The strength of Protection lies in the power of concentrated protected interests. They spend money, time, and trouble in defence of their privileges; they intrigue behind the throne; they crowd the lobbies; and are ready to take the best advantage of the popular indignation caused by an unsuccessful negotiation. The French Emperor was either unable or unwilling to sacrifice his French iron-masters, though cheap iron was one of the first necessities of France. M. Tirard quakes before Rouen and Roubaix. The iron-founders of Pennsylvania are more urgent in the Senate House at Washington than all the western prairies. It needed a most unusual conjunction of political philosophy, public interest, wealthy manufacturers, distress among the working classes, and heroic leaders, to repeal our own Corn Laws. Our ship-owners have scarcely yet forgiven the repeal of the Navigation Laws, though freedom of trade has given them the command of the seas. The recent growls from Preston, from Bradford, and from Lincolnshire, show how soon and how easily, even in this

Experience in France and America.

country, partial and self-seeking interests could mislead the multitude and excite a jealous and angry cry, not only for Fair Trade but for Protection. Once embarked in a war of tariffs, and we are much more likely to arrive at prohibition than at Free Trade.

Protectionist Countries get no better terms than we do.

What are the teachings of experience? We have some Protectionist and some half-Protectionist countries. Do they get better terms from each other than the Free-trading countries? Does the United States get better terms from France or Germany or Canada than England or Holland? Are the Protectionist countries ready to fly into each other's arms? We know very well that this is not the case. Lord Salisbury speaks as if nothing had happened before the French treaty; but the very reason for the adoption of the commercial policy which we pursued from 1840 to 1860 was that negotiations for commercial treaties had been tried and had failed signally. They had been tried by the ablest negotiators, by Sir R. Peel and Mr. Gladstone, and by the Minister who preceded them. They had been tried with the best possible materials for negotiation, with Protective duties on our part such as Lord Salisbury in his wildest dreams can never hope to get; duties, too, which our own Minister wished for our own sakes to reduce or repeal. When Mr. Ricardo brought forward his motion, in 1844,* his first and strongest point was that negotiations for commercial treaties with Brazil, Portugal, Spain, and France had all been pending and had all come to an end, not only without any favourable result, but with the result of leaving our relations with those countries worse than they had previously been. This no doubt was one principal reason why, though Mr. Ricardo's motion was rejected at the time, Sir R. Peel and Mr. Gladstone subsequently adopted its policy.†

Failure of early Reciprocity negotiations.

The conclusion of Mr. Ricardo's speech consisted of an apt quotation from Dr. Franklin, which may be almost taken as a prophesy.

Dr. Franklin.

"Suppose X to be a country having three manufactures, cloth, silk, and iron, furnishing those manufactures to three countries, A, B, C; and that X, to improve the cloth manufacture, should lay a duty amounting to prohibition on all the cloth coming from A; that A, to retaliate, should lay a prohibitory duty on silk coming from X. The silk-workers would begin to

* "Hansard," vol. 73, p. 1271.
† See Sir R. Peel's speech, 6 July, 1849. "Hansard," vol. 106, p. 1429.

complain, and X, to protect them, should lay a prohibitory duty on the silk coming from Z. Z, to retaliate, should put a prohibitory duty on iron coming from X. The iron manufacturers would complain, and then X, to protect them, should lay a prohibitory duty on iron coming from C; whilst C, to retaliate, should lay a duty on the cloth coming from X. And Dr. Franklin asked, what benefit these four countries would gain by these prohibitions, while all four would have curtailed the sources of their comforts and the conveniences of life."

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Our experience is not confined to this side the Atlantic. Dr. Franklin's supposed case represents exactly the present relation between his own country and Canada. The United States and Canada are meant by nature to do business freely with one another. An artificial barrier between them is to the eyes of common sense, as of political philosophy, absurd and unnatural; and yet it exists, and has grown into formidable dimensions within the last 25 years. This is no doubt partly due to extraneous circumstances, such as the dispute about the Fisheries and Fenian raids; but in the main it has been the natural result of endeavours to arrive at Free Trade by the road of Retaliation. In 1854, as I have mentioned above, a commercial treaty was made between Canada and the United States to the mutual advantage of both, under which certain products of each country were admitted into the other duty free, liberty to tax other products being still reserved. In 1865 the United States denounced that treaty. What were the reasons they gave for it? Those reasons were contained in an elaborate report of the Committee of the House of Representatives, which was laid before our Parliament.* The Committee admit and assert, in the strongest terms, the importance to Canada and to the United States of the most unrestricted intercourse, and indeed advocate, as the best if not the only method of effecting it, a complete Zollverein, or Customs' Union on the German plan, including all British North America, within the limits of which no Customs' duties whatever should be levied. The same Committee condemn the then existing treaty in terms which remind one of our Fair Traders, because, as they say, it was one-sided; in other words, because the people of the United States obtained under it Canadian corn, and fish, and timber duty free, whilst the Canadians were compelled by their own import duties to pay an extra and unnecessary price for the

* See Despatch from Lord Lyons, North America, No. 10, 1862.

sugar, cotton, silk, iron, and wool of the United States. The Committee made special, and apparently not ill-founded, complaints that Canada had ever since the treaty constantly increased her duties on these articles until her conduct had provoked severe observations from the English Colonial Minister, which again provoked unpleasant recrimination in the Canadian Parliament. What induced Canada thus to increase her duties, I do not know; but that she should do so in the hope of obtaining still better terms from the United States, was a natural result of the bargaining system. At any rate, the result was that the United States, instead of taking a step in the direction of freedom, said, "If you give us such bad terms, we will give you worse;" and they consequently withdrew from the treaty, and left Canadian goods subject to their oppressive tariff. The attempts at a bargain went on more or ess until 1879, when Canada, finding herself worsted, determined to retaliate with greater vigour, and adopted the Protective tariff of 1879, of which we have heard so much, and which, whatever Mr. Goldwin Smith may say, was distinctly Protectionist in character, and was expressed and intended to be a commercial blow to the United States. What will be the next step no one can say. Sooner or later both parties will probably come to their senses; but in the meantime, we may well ask, with Dr. Franklin, "what benefit those two countries have gained by their prohibitions, whilst each has curtailed the sources of their comforts and the conveniences of life"? But such is the natural result of the use of those dangerous weapons Retaliation and Reciprocity; and to such an end we may be very sure Retaliation would soon come in this country, especially if it were wielded by the hands of those who cannot see the fundamental truth that every separate restriction on commerce, whether imposed by ourselves or others, is a separate and independent evil to ourselves as well as to our neighbours, and that every removal of every restriction is a separate and independent gain to ourselves as well as to our neighbours.

Canada and Unit States. Reciproc Treaty.

CHAPTER XXXVIII.

THE FRENCH TREATY OF 1860.

Cobden's Treaty gives no countenance to Retaliation.

To Retaliation, whatever Lord Salisbury may say, the French treaty of 1860, properly understood, gives no real countenance. In that treaty we neither imposed nor threatened to impose duties either on French or on any other goods; on the contrary, we took duties off French goods, and at the same time off similar goods the produce of all other countries.

We did nothing we should not have done without a Treaty.

In doing this, we were doing what was strictly for our own interest, independently of the action of France. In deference to the weakness of France, we put what we did into the form of a bargain—*Do ut des;* but we were giving nothing we should have wished to keep. What we did was, with one doubtful exception, what we should have done, and ought to have done, had France made no relaxation of her duties. This is the distinction which Lord Salisbury fails to see. There is a world-wide difference between taking advantage of the accident that what we do for our own sakes is looked on by a foreign nation as a concession, and doing something which for our own sakes we should avoid, in order to have a concession to make. The fact that the form of the French treaty has misled Lord Salisbury and others into overlooking this distinction, is, to my mind, the greatest objection to it.

Wine the sole exception, if an exception.

The single exception to which I have referred, if indeed it is an exception, is the wine duty. Strong reasons, founded on considerations affecting the health of the people and the safety of the revenue, were given for the particular duties fixed in 1860-62. So far as these reasons support those duties, there can be no possible objection to them. But there can be no doubt that in fixing these duties the interests of France had also some influence, and there can be no doubt that these duties do give some advantage to French wine over the wines of other countries. Further investigation and experience have led to a doubt whether these duties were properly settled. The Committee of the House of Commons which sat upon this subject in 1879 came to the conclusion that the fiscal and

social reasons given for these duties were insufficient, and the Spanish and Portuguese Governments have strongly and repeatedly remonstrated against them, as creating differential charges on the wines of Spain and Portugal. Spain has even gone so far as to retaliate by differential duties on English goods. Our own colonies have complained, as mentioned above, in Chapter XV. Without pretending to give an opinion on this vexed controversy, I think it illustrates strongly the danger of making, as "X." proposes, even such a question as the reduction of wine duties, where no question of Protection to English interests is concerned, and where the reduction is clearly in our own interest, the subject of a tariff bargain. If Sir C. Dilke returns from Paris without a French treaty in his pocket, and if France subjects our goods to the increased duties of her general tariff, and if Spain and Portugal offer readjustments of their tariff in return for readjustment of the wine duties, it will be almost too much to expect from human nature that we should not, in making that readjustment, have regard to the interests of Spain and Portugal, and take a vindictive pleasure in sacrificing the interests of France. And yet I believe that the true policy for us to adopt is to have regard only to what we should do if no French or Spanish tariff existed: to admit low-priced French wines at a lower rate of duty; to reduce the present duty on Spanish and Portuguese wines; or to increase the wine duties altogether, and repeal some other tax, such as the tea duty; whichever may be most advantageous to us, with a simple regard to the interests of our revenue and the benefits to be derived by our people from light or strong wines or from tea. If we simply admit Spanish and Portuguese wines because it is our interest to get those wines cheap, and to encourage trade with Spain and Portugal, it will be well. And if the present Spanish Minister wishes to make such a reduction the condition of reducing his own tariff, we shall properly get the benefit of his action. But if we tie our hands by a treaty, we may embarrass ourselves financially; and if our arrangements are such as to place a differential and vindictive duty on the wines of France, we shall undoubtedly be committing a great economical as well as political mistake, and be starting on a course of policy towards France which will have a bad effect, not only on the trade between the two countries, but on relations which are still more important than trade. Let us not begin a war of Retaliation, whatever may be the conduct of France.

Treaty 1860.

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It is not, however, by the balance of economical results, past, present, or future, that the value of the French Treaty can be rightly judged. Its effect at the time in putting a stop to that alienation of the two nations which was then threatening to break out into war, and the kindly personal intercourse which has since been brought about between Frenchmen and Englishmen, are results of still greater importance than increase of trade. If the present negotiations should result in failure, the economical result will probably be a matter of little importance to us. It will certainly be a matter of little importance compared with the political evil arising from the consequent irritation and alienation of the two nations. One thing, however, may be said of the French treaty, which, considering the danger of all negotiations of the kind, is perhaps not its least merit—viz., that it cannot be a precedent; for, by abolishing all or nearly all the duties we can spare, it has left us little or no means to strike further bargains.

In speaking as I have done of the French treaty of 1860, I am quite aware of the value of the system, well described in the following passage from Mr. Morley's "Life of Cobden."

Most 'oured ›tion" ›use.

"In these treaties, and in the treaty made afterwards by England with Austria, Sir Louis Malet reminded its opponents in later years that each of them had a double operation. Not only does each treaty open the market of another country to foreign industry; it immediately affects the markets that are already opened. For every recent treaty recognised the 'most favoured nation' principle, the sheet-anchor of Free Trade, as it has been called. By means of this principle, each new point gained in any one negotiation becomes a part of the common commercial system of the European confederation. 'By means of this network,' it has been excellently said by a distinguished member of the English diplomatic service, 'of which few Englishmen seem to be aware, while fewer still know to whom they owe it, all the great trading and industrial communities of Europe—*i.e.*, England, France, Holland, Belgium, the Zollverein (1870), Austria, and Italy—constitute a compact international body, from which the principle of monopoly and exclusive privilege has once for all been eliminated, and not one member of which can take off a single duty without all the other members at once partaking in the increased trading facilities thereby created. By the self-registering action of the 'most favoured *nation' clause,* common to this network of treaties, the tariff

level of the whole body is being continually lowered, and the road being paved towards the final embodiment of the Free Trade principle, in the international engagement to abolish all duties other than those levied for revenue purposes.' "

But it must be remembered that some of the nations have drawn back from these treaties; that Germany, Austria, Italy, and France have recently raised their duties; and that if it is a great advantage to have duties reduced for us behind our back, and without effort on our part, by the operation of the "most favoured nation" clause, there is some inconvenience in having them raised behind our back by action on the part of two foreign nations with which we have nothing to do. It may also be some drawback to the value of this generally excellent clause if one nation—France, for instance—should be prevented from reducing her tariff in our favour, because if she did so, she would be compelled by the "most favoured nation" clause to give the same privilege to another nation—say Germany.

Actual co sequence of the Treaties.

In short, if the separate action followed by us from 1840 to 1860 was not successful in making other nations reduce their duties, I think we must admit that neither has the treaty system adopted in 1860 been followed by unalloyed success, whilst it has certainly set men's minds in a wrong direction. Even the inestimable advantages derived from a better feeling between England and France will not be unalloyed if the failure of the present negotiations should lead to a revival of bitter feeling.

Result of Treaties action of Foreign Nations not altogethe successfu

In making this reference to the French Treaty of 1860, I do not wish to be understood as saying that the balance of results, even in an economical point of view, have not been good. I only say that there have been large drawbacks.

It may seem ungenerous and out of place, in a paper published by the Cobden Club, to say a word which seems to throw doubt upon the great work of Cobden's later years. But Cobden is beyond any such criticism. His greatness consisted in the way in which he kept his great object in view, aided but not fettered by formulas. When Freedom of Trade could be promoted by separate action, he was for separate action; when he thought it could be promoted by joint action with France, he was for joint action. If that joint action had been shown to him to have consequences dangerous to Free Trade, he would have been the first to abandon it. If I hesitate about the policy and effect of the commercial treaties, it is certainly not "because they do not sound in tune with the verbal jingle of an

Cobden's Views.

Real objection to the Treaty, that it leads to Retaliation.

abstract dogma." My doubts are very practical and concrete. I am afraid of being led into Retaliation. If it is true, as some of the thorough-going advocates of the treaty appear to think, that it is useless for us to abolish our duties on imports, unless foreign nations at the same time abolish their duties on our exports, Lord Salisbury's conclusion is inevitable—we must reimpose our own import duties, until we can get foreign nations to take off theirs. To controvert this conclusion is one of the principal objects of this paper.

CONCLUSIONS OF PART II. AS TO RETALIATION.

To sum up: the conclusions to which the above reasoning leads us on the subject of Retaliation are as follow:—

1. Retaliation is an impotent weapon in our hands.

Retaliation is, 1. Impotent.

2. To lower foreign tariffs was not the sole or principal object of the authors of our present policy. They would have adopted that policy had they known that no foreign tariff would be lowered.

3. All duties are impediments to trade; the fewer duties, the fewer impediments. We can remove our own duties; we cannot remove our neighbours'.

2. Uncalled fo

4. No tariff is an absolute barrier; and a free country has such advantages in production that it can compete with a Protectionist country, even for the home market of the latter.

5. Exports involve imports; all Protectionist countries desire to export, and must therefore import. Where a Protectionist country exports to another country, the second country must pay in goods, if not directly to the Protectionist country, indirectly through some third country.

6. There are many free and many neutral markets, and in all of them a Free-trading country has advantages over a Protectionist rival.

7. Protection has not, so far as we can judge, advanced trade and manufacture in France, Germany, or the United States.

8. The trade of a country depends on many things besides Free Trade. Free Trade only removes impediments. What can be claimed for Free Trade is that a country is better with it than without it. The present prosperity of the United States does not affect the question.

9. For the above reasons, there is no fear of our losing our market, and the case for Retaliation fails.

3. Mischievous.

10. Retaliation must, in its immediate consequences, be injurious to ourselves.

11. Retaliation is calculated to defeat its own object, and to provoke further Retaliation.

12. The Cobden treaty affords no ground whatever for Reciprocity or Retaliation.

FINAL CONCLUSIONS.

The proposals of the Fair Trade League, worthless as they may be in themselves, have afforded an opportunity for discussing points of some real interest, and for answering some questions which deserve an answer.

New Colonial policy. Object may be good: Means are bad.

On the Colonial question it is impossible not to feel sympathy with the desire to draw closer the commercial bonds between ourselves and those growing communities of our own lineage and habits which it is England's greatest pride to have brought into existence. It has been the object of the first part of this paper to show that all the proposals which have been made for effecting this object by legislative means involve either restrictions on our trade with other countries, or restrictions on colonial self-government; and that any such restrictions would tend to disruption, and not to closer union.

Governments can check but not create Trade.

The great fact is that Governments cannot create trade; they can only impede and injure it. They cannot divert it without diminishing it. When people talk of its being the duty of the Government to find markets for their people, what they mean is that the Government shall deprive their people of the markets which they find for themselves.

Retaliation bad in spirit as in effect.

On the second great question which I have treated—viz., Retaliation—there can be no such sympathy. Retaliation appears to me to be the natural offspring of a state of mind which regards our gain as others loss—a state of mind which is the hot-bed of Chauvinism, Imperialism, and Protection. A wave of feeling springing out of this state of mind has lately swept over us and over the world; and it is not surprising that it should bring with it a moderate revival of Protection in countries where protected interests rule the State, and a feeble attempt to revive it in our own. But the great tide sweeps on its course, and this is but an eddy in the stream. The Alabama treaty, and its present success; the courage which has dared to give back the Transvaal to the victorious but powerless Boers;

Hopeful Tendencies.

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the power of a minority, for the first time in our history, to offer a stout resistance to an impending war; the rapid reversal of an aggressive policy by the constituencies—these are the real landmarks by which to judge of a progress in international morality Cobden could scarcely have dreamed of. In the same way, the great stream of commercial freedom sweeps on; there are temporary eddies, but time and circumstances are in its favour, and its main course is in one direction. Steam and telegraph have brought the nations of the world together; Prohibition has been succeeded by Protection, and Protection in many cases by Freedom; the limits of petty States have been enlarged into Customs Unions and Federations, which embrace whole continents; and England leads the van in a way which excites the jealousy of those who do not understand the secret of her real progress. It is the misfortune of the state of mind to which I have referred that it fails to apprehend and appreciate that moral element in trade which gives to it its greatest value and significance—that element, namely, by virtue of which each act of trade is a good to both the parties to it, and each removal of a national restriction on trade is a good to all the nations concerned. It is twice blessed. It blesseth him that gives and him that takes. It reconciles self-interest with morality—our duty to ourselves with our duty to our neighbour; and it thus brings the nations a little nearer to the distant ideal of the Christian moralist.

I cannot end this paper better than with Cobden's own words:—

"I do not think the nations of the earth will have a chance of advancing morally in their domestic concerns to the degree of excellence which we sigh for until the international relations of the world are put upon a different footing. The present system corrupts society, exhausts its wealth, raises up false gods for hero-worship, and fixes before the eyes of the rising generation a spurious if a glittering standard of glory. It is because I believe that the principle of Free Trade is calculated to alter the relations of the world for the better, in a moral point of view, that I bless God I have been allowed to take a prominent part in its advocacy."

APPENDIX.

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Comparison of our Foreign and Colonial Trade.

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TABLE I.

Statement of the Value of the Exports of British and Irish Produce from the United Kingdom, and of the Amounts and Proportion Exported to Foreign Countries and British Possessions respectively, in each of the Years from 1856 *to* 1880 *inclusive; in thousands of pounds*, i.e., 100 = 100,000.

Years.	Total Value of Exports of British and Irish Produce.	Exported to Foreign Countries only.		Exported to British Possessions only.	
		Amount.	Per Cent. of Total.	Amount.	Per Cent. of Total.
	£	£		£	
1856	115,827	82,527	71·2	33,300	28·8
1857	122,066	84,911	69·6	37,155	30·4
1858	116,609	76,386	65·5	40,223	34·5
1859	130,412	84,268	64·6	46,144	35·4
1860	135,891	92,226	67·9	43,665	32·1
1861	125,103	82,858	66·2	42,245	33·8
1862	123,992	82,097	66·2	41,895	33·8
1863	146,602	95,723	65·3	50,879	34·7
1864	160,449	108,735	67·8	51,714	32·2
1865	165,836	117,629	70·9	48,207	29·1
1866	188,917	135,198	71·6	53,719	28·4
1867	180,962	131,162	72·5	49,800	27·5
1868	179,678	129,813	72·2	49,865	27·8
1869	189,954	141,881	74·7	48,073	25·3
1870	199,587	147,773	74·0	51,814	26·0
1871	223,066	171,816	77·0	51,250	23·0
1872	256,257	195,701	76·4	60,556	23·6
1873	255,165	188,836	74·0	66,329	26·0
1874	239,558	167,278	69·8	72,280	30·2
1875	223,466	152,374	68·2	71,092	31·8
1876	200,639	135,780	67·7	64,859	32·3
1877	198,893	128,970	64·8	69,923	35·2
1878	192,849	126,611	65·7	66,238	34·3
1879	191,532	130,530	68·2	61,002	31·8
1880	223,060	147,806	66·3	75,254	33·7

TABLE II.

Statement of the Value of the Total Exports of British and Irish, and Foreign and Colonial Produce from the United Kingdom, and of the Amounts and Proportion Exported to Foreign Countries and British Possessions respectively, in each of the Years from 1856 *to* 1880 *inclusive; in thousands of pounds,* i.e., 100 = 100,000.

Years.	Total Value of Exports.	Exported to Foreign Countries only.		Exported to British Possessions only.	
		Amount.	Per Cent. of Total.	Amount.	Per Cent. of Total.
	£	£		£	
1856	139,221	102,525	73·6	36,696	26·4
1857	146,174	105,738	72·3	40,436	27·7
1858	139,783	96,570	69·1	43,213	30·9
1859	155,693	106,042	68·1	49,651	31·9
1860	164,521	117,988	71·7	46,533	28·3
1861	159,632	114,493	71·7	45,139	28·3
1862	166,168	120,744	72·7	45,424	27·3
1863	196,902	141,932	72·1	54,970	27·9
1864	212,588	156,892	73·8	55,696	26·2
1865	218,832	167,285	76·4	51,547	23·6
1866	238,906	181,738	76·1	57,168	23·9
1867	225,802	172,440	76·4	53,362	23·6
1868	227,779	174,061	76·4	53,718	23·6
1869	237,015	185,123	78·1	51,892	21·9
1870	244,080	188,689	77·3	55,391	22·7
1871	283,575	228,014	80·4	55,561	19·6
1872	314,589	248,980	79·1	65,609	20·9
1873	311,005	239,857	77·1	71,148	22·9
1874	297,650	219,740	73·8	77,910	26·2
1875	281,612	204,957	72·8	76,655	27·2
1876	256,777	186,627	72·7	70,150	27·3
1877	252,346	176,594	70·0	75,752	30·0
1878	245,484	173,491	70·7	71,993	29·3
1879	248,783	182,274	73·3	66,509	26·7
1880	286,415	204,887	71·5	81,528	28·5

TABLE III.

Statement of the Value of the Imports of Merchandise into the United Kingdom, and of the Amounts and Proportion from Foreign Countries and British Possessions respectively, in each of the Years from 1856 *to* 1880 *inclusive; in thousands of pounds*, i.e., 100 = 100,000.

Years.	Total Value of Imports.	Imported from Foreign Countries only.		Imported from British Possessions only.	
		Amount.	Per Cent. of Total.	Amount.	Per Cent. of Total.
	£	£		£	
1856	172,544	129,517	75·1	43,027	24·9
1857	187,844	141,661	75·4	46,183	24·6
1858	164,584	125,970	76·5	38,614	23·5
1859	179,182	139,707	78·0	39,475	22·0
1860	210,531	167,571	79·6	42,960	20·4
1861	217,485	164,809	75·8	52,676	24·2
1862	225,717	160,434	71·1	65,283	28·9
1863	248,919	164,235	66·0	84,684	34·0
1864	274,952	181,208	65·9	93,744	34·1
1865	271,072	198,231	73·1	72,841	26·9
1866	295,290	223,084	75·5	72,206	24·5
1867	275,183	214,449	77·9	60,734	22·1
1868	294,694	227,700	77·3	66,994	22·7
1869	295,460	225,044	76·2	70,416	23·8
1870	303,257	238,425	78·6	64,832	21·4
1871	331,015	258,071	78·0	72,944	22·0
1872	354,694	275,321	77·6	79,373	22·4
1873	371,287	290,277	78·2	81,010	21·8
1874	370,083	287,920	77·8	82,163	22·2
1875	373,940	289,516	77·4	84,424	22·6
1876	375,155	290,822	77·5	84,333	22·5
1877	394,420	304,866	77·3	89,554	22·7
1878	368,771	290,835	78·9	77,936	21·1
1879	362,992	284,049	78·3	78,943	21·7
1880	411,230	318,711	77·5	92,519	22·5

TABLE IV.

Statement of the Total Value of Imports and Exports of Merchandise into and from the United Kingdom, and of the Amounts and Proportion from and to Foreign Countries and British Possessions, in each of the Years from 1856 *to* 1880 *inclusive; in thousands of pounds,* i.e. 100 = 100,000.

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		Amount.	Per Cent. of Total.	Amount.	Per Cent. of Total.
	£	£		£	
1856	311,765	232,042	74·4	79,723	25·6
1857	334,018	247,399	74·1	86,619	25·9
1858	304,367	222,540	73·1	81,827	26·9
1859	334,875	245,749	73·4	89,126	26·6
1860	375,052	285,559	76·1	89,493	23·9
1861	377,117	279,302	74·1	97,815	25·9
1862	391,885	281,178	71·8	110,707	28·2
1863	445,821	306,167	68·7	139,654	31·3
1864	487,540	338,100	69·3	149,440	30·7
1865	489,904	365,516	74·6	124,388	25·4
1866	534,196	404,822	75·8	129,374	24·2
1867	500,985	386,889	77·2	114,096	22·8
1868	522,473	401,761	76·9	120,712	23·1
1869	532,475	410,167	77·0	122,308	23·0
1870	547,337	427,114	78·0	120,223	22·0
1871	614,590	486,085	79·1	128,505	20·9
1872	669,283	524,301	78·3	144,982	21·7
1873	682,292	530,134	77·7	152,158	22·3
1874	667,733	507,660	76·0	160,073	24·0
1875	655,552	494,473	75·4	161,079	24·6
1876	631,932	477,449	75·6	154,483	24·4
1877	646,766	481,460	74·4	165,306	25·6
1878	614,255	464,326	75·6	149,929	24·4
1879	611,775	466,323	76·2	145,452	23·8
1880	697,645	523,598	75·1	174,047	24·9

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1876	375,155	290,822	77·5	84,333	22·5
1877	394,420	304,866	77·3	89.554	22·7
1878	368,771	290,835	78·9	77,936	21·1
1879	362,992	284,049	78·3	78,943	21·7
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1862	391,885	281,178	71·8	110,707	28·2
1863	445,821	306,167	68·7	139,654	31·3
1864	487,540	338,100	69·3	149,440	30·7
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1866	534,196	404,822	75·8	129,374	24·2
1867	500,985	386,889	77·2	114,096	22·8
1868	522,473	401,761	76·9	120,712	23·1
1869	532,475	410,167	77·0	122,308	23·0
1870	547,337	427,114	78·0	120,223	22·0
1871	614,590	486,085	79·1	128,505	20·9
1872	669,283	524,301	78·3	144,982	21·7
1873	682,292	530,134	77·7	152,158	22·3
1874	667,733	507,660	76·0	160,073	24·0
1875	655,552	494,473	75·4	161,079	24·6
1876	631,932	477,449	75·6	154,483	24·4
1877	646,766	481,460	74·4	165,306	25·6
1878	614,255	464,326	75·6	149,929	24·4
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Statement of the Value of the Imports of Merchandise into the United Kingdom, and of the Amounts and Proportion from Foreign Countries and British Possessions respectively, in each of the Years from 1856 *to* 1880 *inclusive; in thousands of pounds*, i.e., 100 = 100,000.

Years.	Total Value of Imports.	Imported from Foreign Countries only.		Imported from British Possessions only.	
		Amount.	Per Cent. of Total.	Amount.	Per Cent. of Total.
	£	£		£	
1856	172,544	129,517	75·1	43,027	24·9
1857	187,844	141,661	75·4	46,183	24·6
1858	164,584	125,970	76·5	38,614	23·5
1859	179,182	139,707	78·0	39,475	22·0
1860	210,531	167,571	79·6	42,960	20·4
1861	217,485	164,809	75·8	52,676	24·2
1862	225,717	160,434	71·1	65,283	28·9
1863	248,919	164,235	66·0	84,684	34·0
1864	274,952	181,208	65·9	93,744	34·1
1865	271,072	198,231	73·1	72,841	26·9
1866	295,290	223,084	75·5	72,206	24·5
1867	275,183	214,449	77·9	60,734	22·1
1868	294,694	227,700	77·3	66,994	22·7
1869	295,460	225,044	76·2	70,416	23·8
1870	303,257	238,425	78·6	64,832	21·4
1871	331,015	258,071	78·0	72,944	22·0
1872	354,694	275,321	77·6	79,373	22·4
1873	371,287	290,277	78·2	81,010	21·8
1874	370,083	287,920	77·8	82,163	22·2
1875	373,940	289,516	77·4	84,424	22·6
1876	375,155	290,822	77·5	84,333	22·5
1877	394,420	304,866	77·3	89,554	22·7
1878	368,771	290,835	78·9	77,936	21·1
1879	362,992	284,049	78·3	78,943	21·7
1880	411,230	318,711	77·5	92,519	22·5

TABLE IV.

Statement of the Total Value of Imports and Exports of Merchandise into and from the United Kingdom, and of the Amounts and Proportion from and to Foreign Countries and British Possessions, in each of the Years from 1856 *to* 1880 *inclusive; in thousands of pounds,* i.e. 100 = 100,000.

Years.	Total Value of Imports and Exports.	Total Value Imported from, and Exported to, Foreign Countries only.		Total Value Imported from, and Exported to, British Possessions only.	
		Amount.	Per Cent. of Total.	Amount.	Per Cent. of Total.
	£	£		£	
1856	311,765	232,042	74·4	79,723	25·6
1857	334,018	247,399	74·1	86,619	25·9
1858	304,367	222,540	73·1	81,827	26·9
1859	334,875	245,749	73·4	89,126	26·6
1860	375,052	285,559	76·1	89,493	23·9
1861	377,117	279,302	74·1	97,815	25·9
1862	391,885	281,178	71·8	110,707	28·2
1863	445,821	306,167	68·7	139,654	31·3
1864	487,540	338,100	69·3	149,440	30·7
1865	489,904	365,516	74·6	124,388	25·4
1866	534,196	404,822	75·8	129,374	24·2
1867	500,985	386,889	77·2	114,096	22·8
1868	522,473	401,761	76·9	120,712	23·1
1869	532,475	410,167	77·0	122,308	23·0
1870	547,337	427,114	78·0	120,223	22·0
1871	614,590	486,085	79·1	128,505	20·9
1872	669,283	524,301	78·3	144,982	21·7
1873	682,292	530,134	77·7	152,158	22·3
1874	667,733	507,660	76·0	160,073	24·0
1875	655,552	494,473	75·4	161,079	24·6
1876	631,932	477,449	75·6	154,483	24·4
1877	646,766	481,460	74·4	165,306	25·6
1878	614,255	464,326	75·6	149,929	24·4
1879	611,775	466,323	76·2	145,452	23·8
1880	697,645	523,598	75·1	174,047	24·9

TABLE V.

t in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole xports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000.

A.—Foreign Countries.

	RUSSIA.				GERMANY.				HOLLAND.				BELGIUM.			
	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.
	£	£	£		£	£	£		£	£	£		£	£	£	
1866	3,739	3,177	6,916	2·9	9,337	15,768	25,105	10·5	5,878	9,000	14,878	6·2	3,921	2,862	6,783	2·8
1867	3,307	3,944	7,251	3·2	9,325	20,543	29,868	13·2	5,526	9,423	14,949	6·6	4,565	2,816	7,381	3·3
1868	2,957	4,250	7,207	3·2	9,536	22,774	32,310	14·2	6,304	10,395	16,699	7·3	5,246	3,150	8,396	3·7
1869	3,189	6,465	9,654	4·1	9,230	22,842	32,072	13·5	6,623	10,760	17,383	7·3	4,909	4,004	8,913	3·8
1870	3,079	6,992	10,071	4·1	7,650	20,416	28,066	11·5	6,083	11,221	17,304	7·1	4,468	4,481	8,949	3·7
Total for the Five Years	16,271	24,828	41,099	3·5	45,078	102,343	147,421	12·6	30,414	50,799	81,213	6·9	23,109	17,313	40,422	3·4
1871	3,348	6,584	9,932	3·5	11,060	27,434	38,494	13·6	7,995	14,104	22,099	7·8	6,599	6,217	12,816	4·5
1872	2,860	6,609	9,469	3·0	11,531	31,619	43,150	13·7	8,124	16,212	24,336	7·7	6,601	6,499	13,100	4·2
1873	2,547	8,998	11,545	3·7	9,439	27,270	36,709	11·8	7,832	16,746	24,578	7·9	7,030	7,201	14,231	4·6
1874	3,088	8,777	11,865	4·0	10,328	24,800	35,128	11·8	6,863	14,427	21,290	7·2	6,825	5,828	12,653	4·3
1875	3,286	8,060	11,346	4·0	10,834	23,288	34,122	12·1	6,995	13,119	20,114	7·1	8,013	5,782	13,795	4·9
Total for the Five Years	15,129	39,028	54,157	3·6	53,192	134,411	187,603	12·6	37,809	74,608	112,417	7·6	35,068	31,527	66,595	4·5
1876	2,453	6,183	8,636	3·4	9,653	20,082	29,735	11·6	6,931	11,777	18,708	7·3	6,961	5,875	12,836	5·0
1877	2,065	4,179	6,244	2·5	9,308	19,642	28,950	11·5	6,419	9,614	16,033	6·4	6,456	5,304	11,760	4·7
1878	2,900	6,559	9,459	3·9	9,713	19,457	29,170	11·9	5,373	9,303	14,676	6·0	5,829	5,526	11,355	4·6
1879	2,962	7,645	10,607	4·3	11,032	18,592	29,624	11·9	6,100	9,353	15,453	6·2	6,781	5,106	11,887	4·8
1880	3,016	7,952	10,968	3·8	12,112	16,944	29,056	10·1	6,407	9,247	15,654	5·5	7,191	5,796	12,987	4·5
Total for the Five Years	13,396	32,518	45,914	3·6	51,818	94,717	146,535	11·4	31,230	49,294	80,524	6·2	33,218	27,607	60,825	4·7
Grand Total	44,796	96,374	141,170	3·6	150,088	331,471	481,559	12·2	99,453	174,701	274,154	6·9	91,395	76,447	167,842	4·2

TABLE V. (*continued*).

A.—Foreign Countries (*continued*).

	FRANCE.				ITALY.				TURKEY.*				EGYPT. †			
	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.	
			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.
	£	£	£		£	£	£		£	£	£		£	£	£	
1866	14,897	11,700	26,597	11·1	1,088	5,833	6,921	2·9	170	7,905	8,075	3·4	103	7,556	7,659	3·2
1867	10,901	12,121	23,022	10·2	1,014	4,881	5,895	2·6	267	6,626	6,893	3·1	173	8,198	8,371	3·7
1868	12,861	10,653	23,514	10·3	952	5,017	5,969	2·6	296	7,557	7,853	3·4	108	6,056	6,164	2·7
1869	11,839	11,438	23,277	9·8	1,078	6,162	7,240	3·1	360	6,938	7,298	3·1	90	7,983	8,073	3·4
1870	10,340	11,643	21,983	9·0	1,021	5,272	6,293	2·6	389	7,088	7,477	3·1	102	8,727	8,829	3·6
Total for the Five Years	60,838	57,555	118,393	10·1	5,153	27,165	32,318	2·8	1,482	36,114	37,596	3·2	576	38,520	39,096	3·3
1871	15,182	18,206	33,388	11·8	1,371	6,295	7,666	2·7	448	5,997	6,445	2·3	86	7,039	7,125	2·5
1872	11,023	17,269	28,292	9·0	1,158	6,558	7,716	2·5	531	7,639	8,170	2·6	95	7,213	7,308	2·3
1873	12,904	17,292	30,196	9·7	1,128	7,444	8,572	2·8	387	7,733	8,120	2·6	101	6,222	6,323	2·0
1874	13,019	16,370	29,389	9·9	1,394	6,370	7,764	2·6	459	7,038	7,497	2·5	89	3,585	3,674	1·2
1875	11,935	15,357	27,292	9·7	1,403	6,767	8,170	2·9	457	5,890	6,347	2·3	90	2,946	3,036	1·1
Total for the Five Years	64,063	84,494	148,557	10·0	6,454	33,434	39,888	2·7	2,282	34,297	36,579	2·5	461	27,005	27,466	1·8
1876	12,914	16,086	29,000	11·3	1,440	6,689	8,129	3·2	457	5,923	6,380	2·5	57	2,630	2,687	1·0
1877	11,431	14,233	25,664	10·2	1,131	6,219	7,350	2·9	380	5,625	6,005	2·4	54	2,273	2,327	0·9
1878	11,771	14,825	26,596	10·8	1,081	5,364	6,445	2·6	554	7,748	8,302	3·4	70	2,194	2,264	0·9
1879	11,569	14,989	26,558	10·7	1,056	4,984	6,040	2·4	498	7,208	7,706	3·1	64	2,144	2,208	0·9
1880	12,397	15,594	27,991	9·8	900	5,433	6,333	2·2	474	6,766	7,240	2·5	114	3,061	3,175	1·1
Total for the Five Years	60,082	75,727	135,809	10·5	5,608	28,689	34,297	2·7	2,363	33,270	35,633	2·8	359	12,302	12,661	1·0
Grand Total	184,983	217,776	402,759	10·2	17,215	89,288	106,503	2·7	6,127	103,681	109,808	2·8	1,396	77,827	79,223	2·0

* Including Asiatic Turkey.

† Since the opening of the Suez Canal, some of the articles formerly entered as exported to Egypt have been entered as exported to the countries which they were sent.

TABLE V. (*continued*).

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000.

A.—Foreign Countries (*continued*).

—	United States.				Brazil.				Chili.				Peru.			
	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.
	£	£	£		£	£	£		£	£	£		£	£	£	
1866	3,345	28,499	31,844	13·3	133	7,225	7,358	3·1	26	1,853	1,879	0·8	38	1,356	1,394	0·6
1867	2,294	21,826	24,120	10·7	128	5,695	5,823	2·6	59	2,524	2,583	1·1	62	1,422	1,484	0·7
1868	2,370	21,432	23,802	10·4	137	5,352	5,489	2·4	60	1,963	2,023	0·9	53	1,132	1,185	0·5
1869	2,164	24,624	26,788	11·3	156	6,965	7,121	3·0	54	1,990	2,044	0·9	48	1,382	1,430	0·6
1870	2,971	28,335	31,306	12·8	177	5,367	5,544	2·3	93	2,674	2,767	1·1	93	1,761	1,854	0·8
Total for the Five Years	13,144	124,716	137,860	11·7	731	30,604	31,335	2·7	292	11,004	11,296	1·0	294	7,053	7,347	0·6
1871	4,465	34,228	38,693	13·6	263	6,274	6,537	2·3	139	2,010	2,149	0·8	216	2,160	2,376	0·8
1872	5,171	40,737	45,908	14·6	262	7,520	7,782	2·5	221	3,148	3,369	1·1	473	2,870	3,343	1·1
1873	3,124	33,575	36,699	11·8	332	7,545	7,877	2·5	145	3,165	3,310	1·1	217	2,524	2,741	0·9
1874	3,996	28,242	32,238	10·8	368	7,678	8,046	2·7	141	2,751	2,892	1·0	237	1,593	1,830	0·6
1875	3,194	21,868	25,062	8·9	303	6,869	7,172	2·5	137	2,207	2,344	0·8	223	1,595	1,818	0·6
Total of the Five Years	19,950	158,650	178,600	12·0	1,528	35,886	37,414	2·5	783	13,281	14,064	0·9	1,366	10,742	12,108	0·8
1876	3,393	16,834	20,227	7·9	316	5,920	6,236	2·4	119	1,946	2,065	0·8	178	991	1,169	0·5
1877	3,509	16,377	19,886	7·9	447	5,959	6,406	2·5	109	1,502	1,611	0·6	155	1,266	1,421	0·6
1878	2,980	14,552	17,532	7·1	621	5,578	6,199	2·5	102	1,191	1,293	0·5	221	1,370	1,591	0·6
1879	5,197	20,322	25,519	10·3	301	5,685	5,986	2·4	99	950	1,049	0·4	162	747	909	0·4
1880	7,098	30,856	37,954	13·3	233	6,682	6,915	2·4	247	1,919	2,166	0·8	67	313	380	0·1
Total for the Five Years	22,177	98,941	121,118	9·4	1,918	29,824	31,742	2·5	676	7,508	8,184	0·6	783	4,687	5,470	0·4
Grand Total	55,271	382,307	437,578	11·1	4,177	96,314	100,491	2·5	1,751	31,793	33,544	0·8	2,443	22,482	24,925	0·6

TABLE V. (*continued*).

A —Foreign Countries (*continued*).

	CHINA.*				JAPAN.				OTHER FOREIGN COUNTRIES.				TOTAL FOREIGN COUNTRIES.			
	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.	
			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.
	£	£	£		£	£	£		£	£	£		£	£	£	
1866	118	5,090	5,208	2·2	116	1,444	1,560	0·7	3,631	25,930	29,561	12·4	46,540	135,198	181,738	76·1
1867	114	4,996	5,110	2·3	149	1,545	1,694	0·8	3,394	24,602	27,996	12·3	41,278	131,162	172,440	76·4
1868	110	6,312	6,422	2·8	106	1,113	1,219	0·5	3,152	22,657	25,809	11·5	44,248	129,813	174,061	76·4
1869	143	6,843	6,986	2·9	154	1,442	1,596	0·7	3,205	22,043	25,248	10·6	43,242	141,881	185,123	78·1
1870	223	6,140	6,363	2·6	168	1,609	1,777	0·7	4,060	26,046	30,106	12·3	40,917	147,772	188,689	77·3
Total for the Five Years	708	29,381	30,089	2·6	693	7,153	7,846	0·7	17,442	121,278	138,720	11·8	216,225	685,826	902,051	76·9
1871	168	6,628	6,796	2·4	162	1,584	1,746	0·6	4,695	27,056	31,751	11·2	56,197	171,816	228,013	80·4
1872	246	6,624	6,870	2·2	186	1,961	2,147	0·7	4,796	33,224	38,020	11·9	53,278	195,702	248,980	79·1
1873	134	4,883	5,017	1·6	204	1,680	1,884	0·6	5,497	36,558	42,055	13·5	51,021	188,836	239,857	77·1
1874	102	4,751	4,853	1·6	81	1,283	1,364	0·5	5,472	33,785	39,257	13·1	52,462	167,278	219,740	73·8
1875	169	4,928	5,097	1·8	134	2,460	2,594	0·9	5,410	31,238	36,648	13·2	52,583	152,374	204,957	72·8
Total for the Five Years	819	27,814	28,633	1·9	767	8,968	9,735	0·7	25,870	161,861	187,731	12·6	265,541	876,006	1,141,547	76·7
1876	108	4,611	4,719	1·8	159	2,033	2,192	0·9	5,708	28,200	33,908	13·1	50,847	135,780	186,627	72·7
1877	206	4,405	4,611	1·8	257	2,203	2,460	1·0	5,697	30,169	35,866	14·1	47,624	128,970	176,594	70·0
1878	212	3,738	3,950	1·6	290	2,616	2,906	1·2	5,163	26,590	31,753	13·1	46,880	126,611	173,491	70·7
1879	490	4,650	5,140	2·1	359	2,638	2,997	1·2	5,075	25,516	30,591	12·2	51,745	130,529	182,274	73·3
1880	451	5,064	5,515	1·9	522	3,291	3,813	1·3	5,852	28,888	34,740	12·2	57,081	147,806	204,887	71·5
Total for the Five Years	1,487	22,468	23,935	1·9	1,587	12,781	14,368	1·1	27,495	139,363	166,858	12·8	254,177	669,696	923,873	71·6
Grand Total	2,994	79,663	82,657	2·1	3,047	28,902	31,949	0·8	70,807	422,502	493,309	12·6	735,943	2,231,528	2,967,471	75·1

* Exclusive of Hong Kong and Macão.

TABLE V. (*continued*).

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000.

B.—British Possessions and Totals.

—	British North America.				British West Indies and British Guiana.				Australia and New Zealand.				British India.			
	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.		Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total.	
			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.			Amount.	Per cent. of Total.
	£	£	£		£	£	£		£	£	£		£	£	£	
1866	877	6,825	7,702	3·2	231	2,686	2,917	1·2	978	13,643	14,621	6·1	662	20,010	20,672	8·7
1867	868	5,862	6,730	3·0	228	2,293	2,521	1·1	744	9,614	10,358	4·6	1,042	21,805	22,847	10·1
1868	724	4,848	5,572	2·5	306	2,459	2,765	1·2	987	12,076	13,063	5·7	1,018	21,252	22,270	9·8
1869	750	5,159	5,909	2·5	304	2,488	2,792	1·2	970	13,412	14,382	6·1	951	17,560	18,511	7·8
1870	800	6,784	7,584	3·1	275	3,309	3,584	1·5	837	9,899	10,736	4·4	790	19,304	20,094	8·2
Total for the Five Years	4,019	29,478	33,497	2·9	1,344	13,235	14,579	1·2	4,516	58,644	63,160	5·4	4,463	99,931	104,394	8·9
1871	855	8,257	9,112	3·2	354	2,943	3,297	1·2	1,062	10,052	11,114	3·9	959	18,054	19,013	6·7
1872	1,131	10,193	11,324	3·6	357	3,325	3,682	1·2	1,341	14,142	15,483	4·9	1,015	18,471	19,486	6·2
1873	754	8,620	9,374	3·0	303	3,273	3,576	1·2	1,615	17,611	19,226	6·2	960	21,354	22,314	7·2
1874	879	9,332	10,211	3·4	302	3,228	3,530	1·2	1,606	19,063	20,669	6·9	1,354	24,081	25,435	8·6
1875	646	9,037	9,683	3·4	340	2,935	3,275	1·2	1,733	19,491	21,224	7·5	1,349	24,246	25,595	9·1
Total for the Five Years	4,265	45,439	49,704	3·3	1,656	15,704	17,360	1·2	7,357	80,359	87,716	5·9	5,637	106,206	111,843	7·5
1876	668	7,358	8,026	3·1	329	2,873	3,202	1·3	1,788	17,682	19,470	7·6	1,272	22,405	23,677	9·2
1877	643	7,613	8,256	3·3	306	2,832	3,138	1·2	2,218	19,286	21,504	8·5	1,281	25,338	26,619	10·6
1878	597	6,437	7,034	2·9	287	2,604	2,891	1·2	1,952	19,574	21,526	8·8	1,382	23,277	24,659	10·0
1879	674	5,445	6,119	2·5	276	2,671	2,947	1·2	1,689	16,271	17,960	7·2	1,340	21,375	22,715	9·1
1880	807	7,709	8,516	3·0	388	2,861	3,249	1·1	1,817	16,931	18,748	6·5	1,577	30,451	32,028	11·2
Total for the Five Years	3,389	34,562	37,951	2·9	1,586	13,841	15,427	1·2	9,464	89,744	99,208	7·7	6,852	122,846	129,698	10·1
Grand Total	11,673	109,479	121,152	3·1	4,586	42,780	47,366	1·2	21,337	228,747	250,084	6·3	16,952	328,983	345,935	8·8

TABLE V. (*continued*).

B.—British Possessions and Totals (*continued*).

	Cape of Good Hope and Natal.				Other British Possessions.				Total British Possessions.				Total Foreign Countries and British Possessions.			
	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.	Exports of Foreign and Colonial Produce.	Exports of British Produce.	Total. Amount.	Total. Per cent. of Total.
	£	£	£		£	£	£		£	£	£		£	£	£	
1866	61	1,399	1,460	0·6	639	9,157	9,796	4·1	3,448	53,720	57,168	23·9	49,988	188,918	238,906	100
1867	74	1,893	1,967	0·8	607	8,333	8,940	4·0	3,563	49,800	53,363	23·6	44,841	180,962	225,803	100
1868	69	1,591	1,660	0·7	749	7,639	8,388	3·7	3,853	49,865	53,718	23·6	48,101	179,678	227,779	100
1869	70	1,572	1,642	0·7	774	7,882	8,656	3·6	3,819	48,073	51,892	21·9	47,061	189,954	237,015	100
1870	104	1,859	1,963	0·8	771	10,660	11,431	4·7	3,577	51,815	55,392	22·7	44,494	199,587	244,081	100
Total for the Five Years	378	8,314	8,692	0·7	3,540	43,671	47,211	4·0	18,260	253,273	271,533	23·1	234,485	939,099	1,173,584	100
1871	117	2,198	2,315	0·8	965	9,746	10,711	3·8	4,312	51,250	55,562	19·6	60,509	223,066	283,575	100
1872	288	3,706	3,994	1·3	922	10,718	11,640	3·7	5,054	60,555	65,609	20·9	58,332	256,257	314,589	100
1873	311	4,335	4,646	1·5	876	11,136	12,012	3·8	4,819	66,329	71,148	22·9	55,840	255,165	311,005	100
1874	400	4,302	4,702	1·6	1,089	12,274	13,363	4·5	5,630	72,280	77,910	26·2	58,092	239,558	297,650	100
1875	441	4,910	5,351	1·9	1,054	10,473	11,527	4·1	5,563	71,092	76,655	27·2	58,146	223,466	281,612	100
Total for the Five Years	1,557	19,451	21,008	1·4	4,906	54,347	59,253	4·0	25,378	321,506	346,884	23·3	290,919	1,197,512	1,488,431	100
1876	315	4,369	4,684	1·8	919	10,172	11,091	4·3	5,291	64,859	70,150	27·3	56,138	200,639	256,777	100
1877	387	4,116	4,503	1·8	994	10,738	11,732	4·6	5,829	69,923	75,752	30·0	53,453	198,893	252,346	100
1878	546	4,913	5,459	2·2	991	9,433	10,424	4·2	5,755	66,238	71,993	29·3	52,635	192,849	245,484	100
1879	517	5,853	6,370	2·6	1,010	9,388	10,398	4·1	5,506	61,003	66,509	26·7	57,251	191,532	248,783	100
1880	576	6,630	7,206	2·5	1,108	10,672	11,780	4·2	6,273	75,254	81,527	28·5	63,354	223,060	286,414	100
Total for the Five Years	2,341	25,881	28,222	2·2	5,022	50,403	55,425	4·3	28,654	337,277	365,931	28·4	282,831	1,006,973	1,289,804	100
[illegible]	4,276	53,646	57,922	1·5	13,468	148,421	161,889	4·0	72,292	912,056	984,348	24·9	808,235	3,143,584	3,951,819	100

TABLE VI.

Statement in detail of the Imports of Merchandise into the United Kingdom from each of certain Foreign Countries and British Possessions, in each Year and period of Five Years, since 1866, with the Proportions that the Amounts from each Country and Possession bear to the whole Imports in each Year and Period; the amount being stated in thousands of pounds—i.e., 100 = 100,000.

A.—Foreign Countries.

—	Russia.		Germany.		Holland.		Belgium.		France.		Italy.		Turkey.*		Egypt.†	
	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.
	£		£		£		£		£		£		£		£	
1866	19,625	6·6	19,089	6·5	11,769	4·0	7,907	2·7	37,017	12·5	3,825	1·3	5,442	1·8	15,369	5·2
1867	22,287	8·1	18,907	6·9	10,822	3·9	7,555	2·8	33,735	12·3	3,107	1·1	4,237	1·5	15,498	5·6
1868	20,052	6·8	18,173	6·2	11,391	3·9	8,255	2·8	33,896	11·5	4,024	1·4	6,237	2·1	17,585	6·0
1869	16,675	5·6	18,354	6·2	12,739	4·3	9,391	3·2	33,527	11·3	3,998	1·4	7,747	2·6	16,796	5·7
1870	20,561	6·8	15,404	5·1	14,316	4·7	11,248	3·7	37,607	12·4	3,844	1·3	6,037	2·2	14,117	4·7
Total for the Five Years	99,200	6·8	89,927	6·1	61,037	4·2	44,356	3·0	175,782	12·0	18,798	1·3	30,300	2·1	79,365	5·4
1871	23,721	7·2	19,263	5·8	13,970	4·2	13,573	4·1	29,849	9·0	4,624	1·4	7,039	2·1	16,387	5·0
1872	24,320	6·9	19,232	5·4	13,109	3·7	13,211	3·7	41,803	11·8	4,159	1·2	5,441	1·5	16,456	4·6
1873	21,189	5·7	19,927	5·4	13,272	3·6	13,075	3·5	43,339	11·7	3,831	1·0	6,069	1·6	14,156	3·8
1874	20,933	5·7	19,947	5·4	14,464	3·9	15,049	4·1	46,519	12·5	3,634	1·0	5,843	1·6	10,515	2·8
1875	20,709	5·5	21,836	5·8	14,837	4·0	14,822	4·0	46,720	12·5	4,633	1·2	6,556	1·8	10,895	2·9
Total for the Five Years	110,872	6·2	100,205	5·6	69,652	3·9	69,730	3·9	208,230	11·6	20,881	1·1	30,948	1·7	68,409	3·8
1876	17,575	4·7	21,115	5·6	16,602	4·4	13,848	3·7	45,305	12·1	4,152	1·1	7,444	2·0	11,482	3·1
1877	22,142	5·6	26,270	6·7	19,861	5·0	12,889	3·3	45,823	11·6	4,101	1·0	6,852	1·7	11,102	2·8
1878	17,804	4·8	23,571	6·4	21,466	5·8	12,387	3·4	41,379	11·2	3,252	0·9	4,779	1·3	6,145	1·7
1879	15,877	4·4	21,605	6·0	21,959	6·0	10,726	3·0	38,459	10·6	3,234	0·9	3,473	1·0	8,890	2·4
1880	16,030	3·9	24,355	5·9	25,909	6·3	11,254	2·7	41,970	10·2	3,385	0·8	3,874	1·0	9,191	2·2
Total for the Five Years	89,428	4·7	116,916	6·1	105,797	5·5	61,104	3·2	212,936	11·1	18,124	0·9	26,422	1·4	46,810	2·4
Grand Total	299,500	5·8	307,048	5·9	236,486	4·6	175,190	3·4	596,948	11·5	57,803	1·1	87,670	1·7	194,584	3·8

* Including Asiatic Turkey.

† Since the opening of the Suez Canal some of the articles formerly entered as imported from Egypt have been entered as imported from the countries of production, principally silk from China.

TABLE VI. (*continued*).

A.—Foreign Countries (*continued*).

—	United States.		Brazil.		Chili.		Peru.		China.‡		Japan.		Other Foreign Countries.		Total from Foreign Countries.	
	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.
	£		£		£		£		£		£		£		£	
1866	46,854	15·9	7,238	2·5	2,943	1·0	3,022	1·0	10,620	3·6	274	0·1	32,090	10·8	223,084	75·5
1867	41,046	14·9	5,902	2·1	4,418	1·6	3,701	1·3	9,213	3·4	318	0·1	33,703	12·3	214,449	77·9
1868	43,062	14·6	7,456	2·5	4,367	1·5	3,400	1·2	11,217	3·8	181	0·1	38,404	12·9	227,700	77·3
1869	42,573	14·4	7,313	2·5	3,635	1·2	3,993	1·4	9,621	3·3	167	0·1	38,515	13·0	225,044	76·2
1870	49,805	16·4	6,127	2·0	3,828	1·3	4,881	1·6	9,482	3·1	96	—	40,472	13·3	238,425	78·6
Total for the Five Years	223,340	15·3	34,036	2·3	19,191	1·3	18,997	1·3	50,153	3·4	1,036	0·1	183,184	12·5	1,128,702	77·1
1871	61,135	18·5	6,694	2·0	3,798	1·1	3,972	1·2	11,830	3·6	109	—	42,107	12·8	258,071	78·0
1872	54,664	15·4	9,450	2·7	5,592	1·6	4,212	1·2	13,246	3·7	184	0·1	50,242	14·1	275,321	77·6
1873	71,472	19·2	7,400	2·0	4,764	1·3	5,220	1·4	12,454	3·4	561	0·2	53,548	14·4	290,277	78·2
1874	73,898	20·0	7,003	1·9	4,701	1·3	4,501	1·2	11,146	3·0	573	0·1	49,194	13·3	287,920	77·8
1875	69,590	18·6	7,419	2·0	4,196	1·1	4,884	1·3	13,608	3·6	378	0·1	48,433	13·0	289,516	77·4
Total for the Five Years	330,759	18·4	37,966	2·1	23,051	1·3	22,789	1·3	62,284	3·4	1,805	0·1	243,524	13·4	1,401,105	77·8
1876	75,899	20·2	5,178	1·4	3,585	1·0	5,631	1·5	14,921	4·0	657	0·2	47,428	12·5	290,822	77·5
1877	77,826	19·7	6,345	1·6	3,280	0·8	4,697	1·2	13,421	3·4	734	0·2	49,523	12·7	304,866	77·3
1878	89,146	24·2	4,651	1·3	2,199	0·6	5,232	1·4	13,601	3·7	629	0·2	44,594	12·0	290,835	78·9
1879	91,818	25·3	4,750	1·3	3,738	1·0	3,389	0·9	11,049	3·0	451	0·1	44,631	12·4	284,049	78·3
1880	107,081	26·0	5,261	1·3	3,457	0·8	2,653	0·7	11,826	2·9	532	0·1	51,933	12·7	318,711	77·5
Total for the Five Years	441,770	23·1	26,185	1·4	16,259	0·9	21,602	1·1	64,818	3·4	3,003	0·2	238,109	12·5	1,489,283	77·9
Grand Total	995,869	19·2	98,187	1·9	58,501	1·1	63,388	1·2	177,255	3·4	5,844	0·1	664,817	12·9	4,019,090	77·6

‡ Exclusive of Hong Kong and Macão.

TABLE VI. (*continued*).

Statement in detail of the Imports of Merchandise into the United Kingdom from each of certain Foreign Countries and British Possessions, in each Year and period of Five Years, since 1866, with the Proportions that the Amounts from each Country and Possession bear to the whole Imports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000.

B.—British Possessions and Totals.

—	British North America.		British West Indies and British Guiana.		Australia and New Zealand.		British India.		Cape of Good Hope and Natal.		Other British Possessions.		Total from British Possessions.		Total Imports from Foreign Countries and British Possessions.	
	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.	Amount.	Per cent. of Total.
	£		£		£		£		£		£		£		£	
1866	6,868	2·3	6,332	2·1	11,423	3·9	36,902	12·5	2,720	0·9	7,961	2·8	72,206	24·5	295,290	100
1867	6,767	2·5	5,868	2·1	12,884	4·7	25,488	9·3	2,741	1·0	6,986	2·5	60,734	22·1	275,183	100
1868	6,772	2·3	6,566	2·2	12,572	4·3	30,072	10·2	2,715	0·9	8,297	2·8	66,994	22·7	294,694	100
1869	7,735	2·6	5,985	2·0	12,147	4·1	33,245	11·3	2,726	0·9	8,578	2·9	70,416	23·8	295,460	100
1870	8,515	2·8	5,940	2·0	14,075	4·6	25,090	8·3	2,874	0·9	8,338	2·8	64,832	21·4	303,257	100
Total for the Five Years	36,657	2·5	30,691	2·1	63,101	4·3	150,797	10·3	13,776	0·9	40,160	2·8	335,182	22·9	1,463,884	100
1871	9,292	2·8	6,980	2·1	14,520	4·4	30,737	9·3	2,858	0·9	8,557	2·5	72,944	22·0	331,015	100
1872	9,131	2·6	6,445	1·8	15,626	4·4	33,682	9·5	3,718	1·0	10,771	3·1	79,373	22·4	354,694	100
1873	11,728	3·2	6,475	1·7	17,263	4·6	29,891	8·1	4,121	1·1	11,532	3·1	81,010	21·8	371,287	100
1874	11,859	3·2	6,189	1·7	18,548	5·0	31,198	8·4	4,297	1·2	10,072	2·7	82,163	22·2	370,083	100
1875	10,213	2·7	7,326	2·0	20,559	5·5	30,137	8·1	4,479	1·2	11,710	3·1	84,424	22·6	373,940	100
Total for the Five Years	52,223	2·9	33,415	1·9	86,516	4·8	155,645	8·6	19,473	1·1	52,642	2·9	399,914	22·2	1,801,019	100
1876	11,024	2·9	6,894	1·8	21,962	5·9	30,025	8·0	4,193	1·1	10,235	2·8	84,333	22·5	375,155	100
1877	12,036	3·1	6,935	1·8	21,732	5·5	31,225	7·9	4,275	1·1	13,351	3·3	89,554	22·7	394,420	100
1878	9,531	2·6	6,150	1·7	20,855	5·7	27,470	7·4	4,381	1·2	9,549	2·5	77,936	21·1	368,771	100
1879	10,446	2·9	7,066	1·9	21,965	6·1	24,698	6·8	4,610	1·3	10,158	2·7	78,943	21·7	362,992	100
1880	13,389	3·3	6,571	1·6	25,663	6·2	30,118	7·3	5,639	1·4	11,139	2·7	92,519	22·5	411,230	100
Total for the Five Years	56,426	3·0	33,616	1·8	112,177	5·9	143,536	7·5	23,098	1·2	54,432	2·7	423,285	22·1	1,912,568	100
Grand Total	145,306	2·8	97,722	1·9	261,794	5·1	449,978	8·7	56,347	1·1	147,234	2·8	1,158,381	22·4	5,177,471	100

TABLE VII.

Statement compiled from the two previous Tables, showing the Proportion of the Total Foreign Trade of the United Kingdom—Imports and Exports of Merchandise—carried on with each of the undermentioned Foreign Countries and British Possessions, in each Year and Period of Five Years since 1866.

—	FOREIGN COUNTRIES.											
	Russia.	Germany.	Holland.	Belgium.	France.	Italy.	Turkey.	Egypt.	United States.	Brazil.	Chili.	Peru.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1866	5·0	8·3	5·0	2·7	11·9	2·0	2·5	4·3	14·7	2·7	0·9	0·8
1867	5·9	9·7	5·1	3·0	11·3	1·8	2·2	4·8	13·0	2·3	1·4	1·0
1868	5·2	9·7	5·4	3·2	11·0	1·9	2·7	4·5	12·8	2·5	1·2	0·9
1869	4·9	9·5	5·7	3·4	10·7	2·1	2·8	4·7	13·0	2·7	1·1	1·0
1870	5·6	7·9	5·8	3·7	10·9	1·9	2·6	4·2	14·8	2·1	1·2	1·2
For the Five Years	5·3	9·0	5·4	3·2	11·2	1·9	2·6	4·5	13·7	2·5	1·2	1·0
1871	5·5	9·4	5·9	4·3	10·3	2·0	2·2	3·8	16·2	2·2	1·0	1·0
1872	5·0	9·3	5·6	3·9	10·5	1·8	2·0	3·6	15·0	2·6	1·3	1·1
1873	4·8	8·3	5·5	4·0	10·8	1·8	2·1	3·0	15·9	2·2	1·2	1·2
1874	4·9	8·2	5·4	4·1	11·4	1·7	2·0	2·1	15·9	2·3	1·1	0·9
1875	4·9	8·5	5·3	4·4	11·3	2·0	2·0	2·1	14·4	2·2	1·0	1·0
For the Five Years	5·0	8·8	5·5	4·1	10·8	1·8	2·1	2·9	15·5	2·3	1·1	1·1
1876	4·1	8·0	5·6	4·2	11·8	1·9	2·2	2·2	15·2	1·8	0·9	1·1
1877	4·4	8·5	5·5	3·8	11·1	1·8	2·0	2·1	15·1	2·0	0·8	0·9
1878	4·4	8·6	5·9	3·9	11·1	1·6	2·1	1·4	17·4	1·8	0·6	1·1
1879	4·3	8·4	6·1	3·7	10·6	1·5	1·8	1·8	19·2	1·8	0·8	0·7
1880	3·9	7·7	6·0	3·5	10·0	1·4	1·6	1·8	20·8	1·7	0·8	0·4
For the Five Years	4·2	8·2	5·8	3·8	10·9	1·6	1·9	1·9	17·6	1·8	0·8	0·8
For the Years	4·8	8·6	5·6	3·8	11·0	1·8	2·2	3·0	15·7	2·2	1·0	1·0

TABLE VII. (*continued*).

	FOREIGN COUNTRIES (*continued*).				BRITISH POSSESSIONS.							
	China.	Japan.	Other Foreign Countries.	Total Foreign Countries.	British North America.	British West Indies and Guiana.	Australia and New Zealand.	British India.	Cape of Good Hope and Natal.	Other British Possessions.	Total British Possessions.	Grand Total.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1866	3·0	0·3	11·7	75·8	2·7	1·7	4·9	10·8	0·8	3·3	24·2	100
1867	2·9	0·4	12·4	77·2	2·7	1·7	4·6	9·6	0·9	3·3	22·8	100
1868	3·4	0·3	12·2	76·9	2·4	1·8	4·9	10·0	0·8	3·2	23·1	100
1869	3·1	0·3	12·0	77·0	2·6	1·6	5·0	9·7	0·8	3·3	23·0	100
1870	2·9	0·3	12·9	78·0	2·9	1·7	4·5	8·3	0·9	3·7	22·0	100
For the Five Years	3·0	0·3	12·2	77·0	2·7	1·7	4·8	9·7	0·9	3·2	23·0	100
1871	3·0	0·3	12·0	79·1	3·0	1·7	4·2	8·1	0·8	3·1	20·9	100
1872	3·0	0·3	13·3	78·3	3·1	1·5	4·6	7·9	1·2	3·4	21·7	100
1873	2·6	0·4	13·9	77·7	3·1	1·5	5·3	7·7	1·3	3·4	22·3	100
1874	2·4	0·3	13·3	76·0	3·3	1·5	5·9	8·5	1·3	3·5	24·0	100
1875	2·9	0·5	12·9	75·4	3·0	1·6	6·4	8·5	1·5	3·6	24·6	100
For the Five Years	2·8	0·4	13·1	77·3	3·1	1·5	5·3	8·1	1·2	3·5	22·7	100
1876	3·1	0·4	13·1	75·6	3·0	1·6	6·6	8·5	1·4	3·3	24·4	100
1877	2·8	0·5	13·1	74·4	3·1	1·6	6·7	8·9	1·4	3·9	25·6	100
1878	2·9	0·6	12·2	75·6	2·7	1·5	6·9	8·5	1·6	3·2	24·4	100
1879	2·6	0·6	12·3	76·2	2·7	1·6	6·5	7·8	1·8	3·4	23·8	100
1880	2·5	0·6	12·4	75·1	3·1	1·4	6·4	8·9	1·8	3·3	24·9	100
For the Five Years	2·8	0·5	12·8	75·4	2·9	1·5	6·6	8·5	1·6	3·5	24·6	100
For the 15 Years	2·8	0·4	12·6	76·5	2·9	1·6	5·6	8·7	1·3	3·4	23·5	100

TABLE VIII.

Statement showing the Value of Imports of Merchandise into Germany from the undermentioned Countries, and of Exports thereof from Germany to the same Countries in the Years 1868 *to* 1877, *made up from the Statistics of the different Countries named (in the absence of official German statistics) by treating the Exports from them to Germany as Imports into Germany, and the Imports from Germany into them as Exports from Germany; in thousands of Francs and Pounds sterling*—i.e., 100 = 100,000.

Years.	Imports into Germany from							Excess of Imports.	
	France.	Belgium.	Gt. Britain and British India.	Switzerland.	Italy.	United States.* †	Total of Enumerated Countries.	In Thousands of Francs.	In Thousands of Pounds Sterling.
	F.	F.	F.		F.	F.	F.	F.	£
1868	215,000	107,647	808,654	Cannot be given.	5,316	110,099	1,246,716	290,160	11,606
1869	305,000	121,276	803,716		3,022	139,133	1,372,147	399,488	15,979
1870	104,000	138,535	708,014		4,774	174,390	1,129,713	365,617	14,624
1871	199,000	209,085	971,234		8,171	158,079	1,545,569	529,397	21,176
1872	410,000	240,277	1,083,667		7,600	185,101	1,926,645	662,755	26,510
1873	463,000	266,064	919,239		13,815	271,864	1,933,982	609,705	24,388
1874	414,000	243,120	883,241		18,569	286,315	1,845,245	607,896	24,316
1875	427,000	244,272	856,539		23,634	226,558	1,778,003	464,312	18,572
1876	431,000	244,322	748,336		20,599	224,247	1,668,504	331,881	13,275
1877	395,000	222,767	732,028		16,615	276,639	1,643,049	203,647	8,146

Years.	Exports from Germany to							Excess of Exports.	
	France.	Belgium.	Gt. Britain and British India.	Switzerland.	Italy.	United States. †	Total of Enumerated Countries.	In Thousands of Francs.	In Thousands of Pounds Sterling.
	F.	F.	F.		F	F.	F.	F.	£
1868	266,000	111,549	454,614	Cannot be given.	8,028	116,365	956,556	—	—
1869	256,000	116,160	459,930		10,107	130,462	972,659	—	—
1870	103,000	121,688	386,013		12,917	140,478	764,096	—	—
1871	160,000	230,244	482,421		13,019	130,488	1,016,172	—	—
1872	358,000	168,554	481,984		14,884	240,468	1,263,890	—	—
1873	311,000	171,530	498,747		23,710	319,290	1,324,277	—	—
1874	315,000	166,852	499,266		27,899	228,332	1,237,349	—	—
1875	349,000	171,597	546,498		37,312	209,284	1,313,691	—	—
1876	389,000	195,763	528,107		40,089	183,664	1,336,623	—	—
1877	373,000	214,767	657,387		25,202	169,046	1,439,402	—	—

* The values of the United States exports to Germany have been reduced from currency to specie values.

† The returns for the United States are for years ending 30th June.

TABLE IX.

tatement showing the Total Value of Merchandise Imported into, and Exported from, France, in the Years 1868 *to* 1877, *according to the French official Returns; in thousands of francs*, i.e., 100 = 100,000.

NOTE.—The figures are those of the French "Special" Trade, viz., Imports for Domestic Use and Manufacture, and Exports of Domestic Produce and Manufacture.

Years.	Total Imports.	Total Exports.	Excess of Imports. In Thousands of Francs and Thousands of £ sterling.	Excess of Exports. In Thousands of Francs and Thousands of £ sterling.
	Francs.	Francs.		
1868	3,303,700	2,789,900	F. 513,800 £ 20,552	—
1869	3,153,100	3,074,900	F. 78,200 £ 3,128	—
1870	2,781,400	2,802,100	—	F. 20,700 £ 828
1871	3,566,700	2,872,500	F. 694,200 £ 27,768	—
1872	3,570,300	3,761,600	—	F. 191,300 £ 7,652
1873	3,554,800	3,787,300	—	F. 232,500 £ 9,300
1874	3,507,700	3,701,100	—	F. 193,400 £ 7,736
1875	3,536,700	3,872,600	—	F. 335,900 £ 13,436
1876	3,988,400	3,575,600	F. 412,800 £ 16,512	—
1877	3,669,800	3,436,300	F. 233,500 £ 9,340	—

TABLE X.

Statement showing the Value of Imports of Merchandise into France from the undermentioned Countries, and Exports thereof from France to the same Countries, according to the French official Returns, in the Years 1868 *to* 1877, *covering the period of the payment of the Indemnity to Germany; in thousands of francs,* i.e., 100 = 100,000.

Years.	Imports.							Excess of Imports.	
	Germany.	Belgium.	Gt. Britain and British India.	Switzerland.	Italy.	United States.	Total of Enumerated Countries.	In Thousands of Francs.	In Thousands of Pounds sterling.
	F.	F.	F.	F.	F.	F.	F.	F.	£
1868	266,000	354,000	679,000	141,000	327,000	156,000	1,923,000	—	—
1869	256,000	316,000	687,000	133,000	321,000	174,000	1,887,000	—	—
1870	103,000	272,000	646,000	102,000	235,000	218,000	1,576,000	—	—
1871	160,000	476,000	920,000	105,000	441,000	190,000	2,292,000	189,000	7,560
1872	358,000	440,000	764,000	97,000	375,000	205,000	2,239,000	—	—
1873	311,000	475,000	673,000	92,000	346,000	199,000	2,096,000	—	—
1874	315,000	409,000	697,000	96,000	289,000	241,000	2,047,000	—	—
1875	349,000	439,000	753,000	94,000	322,000	190,000	2,147,000	—	—
1876	389,000	404,000	789,000	110,000	415,000	265,000	2,372,000	—	—
1877	373,000	409,000	724,000	96,000	342,000	258,000	2,202,000	—	—

Years.	Exports.							Excess of Exports.	
	Germany.	Belgium.	Gt. Britain and British India.	Switzerland.	Italy.	United States.	Total of Enumerated Countries.	In Thousands of Francs.	In Thousands of Pounds sterling.
	F.	F.	F.	F.	F.	F.	F.	F.	£
1868	215,000	272,000	882,000	263,000	171,000	126,000	1,929,000	6,000	240
1869	305,000	295,000	914,000	261,000	230,000	193,000	2,198,000	311,000	12,440
1870	104,000	311,000	849,000	263,000	201,000	307,000	2,035,000	459,000	18,360
1871	199,000	410,000	823,000	205,000	153,000	313,000	2,103,000	—	—
1872	410,000	479,000	937,000	294,000	229,000	333,000	2,682,000	443,000	17,720
1873	463,000	470,000	926,000	337,000	230,000	291,000	2,717,000	621,000	24,840
1874	414,000	524,000	992,000	300,000	204,000	296,000	2,730,000	683,000	27,320
1875	427,000	527,000	1,075,000	315,000	219,000	264,000	2,827,000	680,000	27,200
1876	431,000	446,000	1,036,000	279,000	216,000	230,000	2,638,000	266,000	10,640
1877	395,000	446,000	1,067,000	237,000	185,000	217,000	2,547,000	345,000	13,800

TABLE XI.

Statement showing the Value of the Imports of Merchandise and Treasure, on Private and Government Account, into British India from the United Kingdom, and Value of the Exports of the same, from British India to the United Kingdom, in the Years ended 31st March, 1871 *to* 1880; *compiled from the official Statistics of the Indian Government; in thousands of pounds,* i.e., 100 = 100,000.

Years ended 31st March.	Imports.	Exports.	Excess of	
			Imports.	Exports.
	£	£	£	£
1871	29,905	32,084	—	2,179
1872	33,739	33,021	718	—
1873	28,887	28,667	220	—
1874	30,888	28,832	2,056	—
1875	35,494	27,972	7,522	—
1876	34,519	28,371	6,148	—
1877	39,555	29,315	10,240	—
1878	47,198	30,804	16,394	—
1879	33,140	28,400	4.740	—
1880	38,440	27,781	10,659	—
Total for the 10 Years.	351,765	295,247	56,518	—

TABLE XII.

Statement showing the Value of the Imports of Merchandise and Treasure, on Private and Government Account, into British India, from the undermentioned Countries; and the Value of the Exports of the same from British India to the same Countries, in the Years ended 31st March, 1871 to 1880; compiled from the official Statistics of the Indian Government; in thousands of pounds, i.e., 100 = 100,000.

NOTE.—The figures for the Years 1871–75 in the case of the United States are estimates; and for 1871 in the case of Austria and Italy are also estimates.

IMPORTS.

Years ended 31st March.	France.	Austria.	Italy.	United States.	China and Hong Kong.	Ceylon.	Total of enumerated Countries.	Excess of Imports.
	£	£	£	£	£	£	£	£
1871	423	67	66	66	4,290	1,035	5,947	—
1872	555	122	115	73	4,014	1,088	5,967	—
1873	378	127	147	62	2,377	903	3,994	—
1874	362	93	339	98	3,141	909	4,942	—
1875	413	96	280	193	2,957	941	4,880	—
1876	678	118	527	201	2,901	966	5,391	—
1877	592	120	1,366	172	2,127	987	5,364	—
1878	571	120	435	280	4,031	797	6,234	—
1879	454	122	393	349	4,039	907	6,264	—
1880	588	156	785	526	5,587	1,091	8,733	—
Total for the 10 Years.	5,014	1,141	4,453	2,020	35,464	9,624	57,716	—

EXPORTS.

Years ended 31st March.	France.	Austria.	Italy.	United States.	China and Hong Kong.	Ceylon.	Total of enumerated Countries.	Excess of Exports.
	£	£	£	£	£	£	£	£
1871	2,013	600	700	2,232	12,333	1,620	19,498	13,551
1872	4,175	1,057	1,134	2,079	13,944	2,082	24,471	18,504
1873	2,673	1,100	954	1,821	12,259	2,314	21,121	17,127
1874	3,134	939	1,320	1,643	11,507	2,823	21,366	16,424
1875	4,449	1,321	1,112	1,886	11,751	2,497	23,016	18,136
1876	4,603	1,410	1,224	1,778	11,520	2,695	23,230	17,839
1877	5,437	1,428	1,410	1,896	13,442	3,396	27,009	21,645
1878	6,026	1,466	1,870	1,933	12,791	2,840	26,926	20,692
1879	3,947	1,395	1,673	2,038	13,677	3,787	26,517	20,253
1880	4,870	1,860	2,215	3,286	15,732	2,696	30,659	21,926
Total for the 10 Years.	41,327	12,576	13,612	20,592	128,956	26,750	243,813	186,097

TABLE

Return of the Rates of Import duty levied in the principal European Countries, in the United Articles of British

Articles.	FOREIGN COUNTRIES.						
	Germany.	Holland.	Belgium.	France.	Italy.	Austria.	United States.
	£ s. d. Per cwt.		£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.
Cotton Yarn (single unbleached):							
Up to No. 12	0 6 1	Free	0 6 1	0 6 1	0 7 4	0 6 1	2 6 8 and 20 % ad val.
Above 12 to 17					0 8 11		
" 17 " 23			0 8 2	0 8 2		0 8 2	
" 23 " 30	0 9 2				0 10 7		
" 30 " 35							
" 35 " 45			0 12 2	0 12 2	0 13 0		
" 45 " 47	0 12 2				0 15 10		
" 47 " 60			0 16 3	0 16 3	0 19 6	0 12 2	
" 60 " 70				From 1 0 4 to 6 1 11			
" 70 " 77	0 15 3				1 4 5		
" 77 " 79			0 4 0½				
" 79	0 18 3						
Cotton Cloth (unbleached):							
Weighing 13 kilogrammes and above per 100 sq. mètres:							
Of 27 threads or less per 5 sq. millimètres		5 % ad val.	1 0 4	1 0 4	1 3 2	1 12 6	Exceeding 5 or. to the sq. yard: 2½d. per sq. yard or 3d. per sq. yard, according to quality.
Of 28 to 35 thds.					1 6 0		
Of 36 " 38 "			1 12 6	1 12 6		2 10 10	
Over 38 "							
Weighing from 11 to 13 kilogs. exclusive per 100 sq. mètres:							
Of 27 threads or less	2 0 8		1 0	1 0 4	1 6 10	1 12 6	
Of 28 to 35 thds.					1 10 6		
Of 36 " 38 "			1 12 6	1 12 6		2 10 10	
Over 38 "							
Weighing from 7 to 11 kilogs. exclusive per 100 sq. mètres			From 1 4 5 to 4 1 3	From 1 4 5 to 4 1 3	From 1 6 10 to 1 10 6	1 12 6 or 2 10 10 as above	Other unbleached cotton tissues 35 % ad val.
Weighing less than 7 kilogs. per 100 sq. mètres			From 1 12 6 to 6 1 11	From 1 12 6 to 6 1 11	From 1 12 6 to 2 0 8		
Linen Yarn (single unbleached):							
Up to No. 5 (Eng)	0 1 6¼	Free.	Free.	0 6 1	0 4 8	0 1 6¼	40 % ad val.
5 to 8	0 2 6½						
9 " 10	0 3 0½			0 8 2			
11 " 20				0 12 2			
21 " 35	0 4 6¾						
36 " 40	0 6 1			0 14 8			
41 " 60				1 4 5			
61 " 119				2 0 8			
Above 119							

XIII.

States, and in the principal Colonial Possessions of the United Kingdom, on the undermentioned Produce or Manufacture.

COLONIAL POSSESSIONS OF THE UNITED KINGDOM.

New South Wales.	Victoria.	South Australia.	Western Australia.	Tasmania.	New Zealand.	Queensland.	Canada.	Cape of Good Hope
£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.			£ s. d. Per cwt.		£ s. d. Per cwt.	
0 2 0	0 11 3	0 3 0	12½% ad val.	10% ad val.	0 5 0	5% ad val.	Under 40's 0 9 4 and 15% ad val. Other, 20% ad val.	10% ad val.
Free.	Free.	Free.	12½% ad val.	10% ad val.	Free by Law of 24 Sept., 1881.	5% ad val.	sq. yard, ½d. to 1d. and 15% ad val.	10% ad val.
0 2 0	0 11 3	0 3 0	12½% ad val.	10% ad val.	0 5 0	5% ad val.	20% ad val.	10% ad val.

TABLE XIII.

Return of the Rates of Import Duty levied in the principal European Countries, in the United Articles of British

Articles.	FOREIGN COUNTRIES (*continued*).						
	Germany.	Holland.	Belgium.	France.	Italy.	Austria.	United States.
	£ s. d. Per cwt.		£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.
Linen Cloth (unbleached):							
5 threads or less per 5 millimètres . .	From 0 3 0½ to 1 10 6	Sail-cloth free. Other 5 % ad val.	10 % ad val.	0 2 0½	0 4 10½ to 0 9 5	0 2 0½	From 35 % to 40 % ad val.
6 to 8 threads . .				0 11 5			
9 ,, 11 ,, . .				1 2 4			
12 ,, . .				1 6 5			
13 ,, 14 ,, . .				1 16 7	1 3 6	0 12 2	
15 ,, 17 ,, . .				2 6 9			
18 ,, 20 ,, . .				3 9 1			
21 ,, 23 ,, . .				5 5 8		4 1 3	
24 thrds. and above				6 1 11			
Woollen Yarns (single unbleached):							
Measuring to the kilogramme less than 30,500 mètres	0 4 0¾	Free.	0 8 2	0 10 2	1 0 4	0 1 6¼ to 0 8 2	From 4 13 4 to 11 13 4 and 35 % ad val.
30,500 to 40,500 ,,				0 14 3			
40,500 ,, 50,500 ,,				0 18 3			
50,500 ,, 60,500 ,,				1 2 4			
60,500 ,, 70,500 ,,				1 6 5			
70,500 ,, 80,500 ,,				1 10 6			
80,500 ,, 90,500 ,,				1 14 7			
90,500 ,, 100,500 ,,				1 18 7			
100,500 metres and above				2 0 8			
Woollen Cloth (unprinted):							
With cotton warp:							
Above 600 grms. per sq. mètre . .	3 8 7	5 % ad val.	10 % ad val.	10 % ad val.	2 0 8	2 0 8	All cloths weighing 4 oz. and above, per sq. yard, 11 13 4 and 35 % ad val.
300 to 600 grms. per sq. mètre . .						2 10 10	
Less than 300 grms. per sq. metre						4 1 3	
Other kinds:							
Above 600 grms. per sq. mètre . .					3 1 0	2 0 8	
450 to 600 grms. per sq. mètre . .						3 0 11	
Less than 450 grms. per sq. mètre						4 1 3	
Porcelain:							
White	0 7 1	5 % ad val.	10 % ad val.	10 % ad val.	0 4 10½	0 5 1	45 % ad val.
Glass and Glasswares:					100 bottles.		
Common bottles .	0 1 6¼	5 % ad val.	0 0 4¾	0 0 6¼	0 2 4¾	0 1 6¼	35 % ad val.
Window glass: Common . . .	0 3 0½ to 0 5 1		10 % ad val.	0 1 5	Per cwt. 0 3 3	0 4 0¾	0 7 0 to 0 14 0
Plate glass: Polished. . . .	0 12 2		10 % ad val.	sq. yard. 0 2 8¾	0 8 2	0 8 2	Up to 24 by 30 in. sq., 1½d to 4d. per s. i. ft. Of larger size, 1s. 6d. to 2s. 10. p. sq. ft.

(*continued*).

States, and in the principal Colonial Possessions of the United Kingdom, on the undermentioned Produce or Manufacture.

COLONIAL POSSESSIONS OF THE UNITED KINGDOM (*continued*).

New South Wales.	Victoria.	South Australia.	Western Australia.	Tasmania.	New Zealand.	Queensland.	Canada.	Cape of Good Hope
£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.			£ s. d. Per cwt.		£ s. d. Per cwt.	
Free.	Free.	Free.	12½ % ad val.	Sailcloth free. Other 10 % ad val.	Sailcloth free. Other 15 % ad val.	5 % ad val.	Sailcloth 25 % ad val. Other 20% ad val.	10 % ad val.
0 2 0	0 11 3	0 3 0	12½ % ad val.	10 % ad val.	0 5 0	5 % ad val.	1 15 0 and 20% ad val.	10 % ad val.
Free,	7½ % ad val. to 15 % ad val.	5 % ad val.	12½ % ad val.	10 % ad val.	15 % ad val.	5 % ad val.	1 15 0 and 20 % ad val.	10 % ad val.
Free.	cub. ft. 0 2 6	10 % ad val.	12½ % ad val.	10 % ad val.	15 % ad val.	5 % ad val.	25 % ad val.	10 % ad val.
Free	cub. ft. 0 1 0 Free. Free.	10 % ad val.	12½ % ad val.	Free. 10 % ad val. 10 % ad val.	Free. 100 sq. ft. 0 2 0 15 % ad val.	5 % ad val.	20 % ad val.	10 % ad val.

TABLE XIII.

Return of the Rates of Import Duty levied in the principal European Countries, in the United Articles of British

Articles.	FOREIGN COUNTRIES (*continued*).						
	Germany.	Holland.	Belgium.	France.	Italy.	Austria.	United States.
	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.
Iron:							
Pig	0 0 6	Free	0 0 2¼	0 0 9¾	Free	0 0 6	0 1 5½
Bar	0 1 3¼		0 0 4¾	0 2 5¼	0 1 10½	0 2 6½	0 4 8 and 0 7 0 according to size
Rails for Railways — Iron	0 1 3¼		0 0 4¾	0 2 5¼	0 1 2¾	0 2 6½	0 3 3
Rails for Railways —Steel				0 3 8			Partly Steel 0 4 8 Pure Steel 0 5 10
Copper:							
Ingots, Cakes, or Slabs	Free	Free	Free	Free	0 1 7½	Free	1 3 4
Hammered, in Bars	0 6 1	Free	0 4 0¾	0 4 0¾	0 4 0¾	0 8 2	
Tanned Leather (unwrought):							
Ox and Cow Hides	From 0 9 2 to 0 18 3	Free	0 6 1	0 4 0¾	From 0 10 2 to 0 12 2	0 8 2	15% to 25% ad val.
Calf Skins							
Alkali:							
Bicarbonate of Soda	0 1 3¼	Free	Free	0 1 8¼	0 0 2½	0 3 0½	0 7 0
Crystals of Soda	0 0 9¼			0 0 9¼	Not specified	Not specified	Not specified
Soda Caustic	0 2 0¼			0 2 7¼	Pure 0 2 0½ Impure 0 0 2½	0 4 0¾	0 7 0
Paper:							
For Writing	0 5 1	5% ad val.	0 1 7½	0 *3 3	0 4 0¾	0 3 0½	35% ad val.
For Printing						0 2 0½	20% or 25% ad val. according as unsized or sized.
Seed Oils:							Gal.
Linseed	0 2 0¼	0 0 11¼	Free	0 2 5¼	0 2 5¼	0 1 6¼	0 1 6
Rape							0 1 2
Coals	Free	Free	Free	Ton 0 0 11¾	Free	Free	Anthracite Free. Bituminous, Ton 0 3 1½
Beer or Ale:		Gal.	Gal.	Gal.	Gal.		Gal.
In Casks	0 2 0½	0 0 2¼	0 0 2¼	0 0 2½	0 0 †0¾	0 3 0½	0 1 0
In Bottles			0 0 3		0 †1 7¾ 100 Bts.	0 8 2	0 1 9

* An additional excise duty on letter paper of 4s. 7½d. per cwt. An additional
† Excise duty in addition :—At 16 degrees

(continued).

States, and in the principal Colonial Possessions of the United Kingdom, on the undermentioned Produce or Manufacture.

COLONIAL POSSESSIONS OF THE UNITED KINGDOM (*continued*).

New South Wales.	Victoria.	South Australia.	Western Australia.	Tasmania.	New Zealand.	Queensland.	Canada.	Cape of Good Hope
£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d. Per cwt.	£ s. d.
Free	Free	Free	10 % ad val.	Free 10 % ad val.	Free	Free 5 % ad val.	0 0 5 17½ % ad val. 15 % ad val. Free to 1883	10 % ad val.
Free	25 % ad val.	Free	10 to 12½ % ad val.	Free	Free	5 % ad val.	10 % ad val.	10 % ad val.
Free	20 % ad val. 7½ % ad val.	10 % ad val.	12½ % ad val.	10 % ad val.	From 0 9 4 to 0 14 0	5 % ad val.	10 % ad val. 15 to 20 % ad val.	10 % ad val.
Free 0 1 0	Free 0 2 0	0 1 0	12½ % ad val. 0 0 6	0 4 8 0 2 4	0 1 0	Not specified 0 1 0	20 % ad val.	10 % ad val.
Free	Free	Free	12½ % ad val.	Free	Free	Not specified	Free	
0 9 4	0 18 8	10 % ad val.	12½ % ad val.	10 % ad val.	Uncut free. Cut 15 % ad val.	5 % ad val.	20 % ad val.	10 % ad val.
Free	Free	Free	10 % ad val.		Free			
Gal. 0 0 6	Free	Gal. 0 0 6	12½ % ad val.	Gal. 0 1 0	Gal. 0 0 6	Gal. 0 0 6 5 % ad val.	25 % ad val. 20 % ad val.	Gal. 0 0
Free	Free	Free	Free	Ton 0 1 0	Free	Ton 0 1 6	Ton Anthrct. 0 2 4 Bitumi-nous 0 2 9½	Ton. 0 0 1
Gal. 0 0 6 0 0 9	Gal. 0 0 9	Gal. 0 0 9	Gal. 0 1 0	Gal. 0 0 9 0 1 3	Gal. 0 1 3 0 1 6	Gal. 0 0 9 0 1 0	Gal. 0 0 5 0 0 9	Gal. 0 0

excise duty on other kinds from 2s. 1¼d to 4s. 2¾d. per cwt.
the duty would be 4¾d. per gallon.

TABLE XIV.

Return of the estimated or actual ad valorem *Rates of Import Duty levied in the principal European Countries, in the United States, and in the principal Colonial Possessions of the United Kingdom on the undermentioned Articles of British Produce or Manufacture.*

ARTICLES.	A.—FOREIGN COUNTRIES.						
	Germany.	Holland.	Belgium.	France.	Italy.	Austria.	United States.
	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.
Cotton Yarns: Single, unbleached.	*10 %	Free	*10 % Except on the finer sorts, which are only subject to a registration duty.	*10 % Except on the finer sorts, upon which the duties appear to be prohibitive.	*11 %	*9 %	‡56 %
Cotton Cloth: Unbleached (average quality)	*20 to 30 %	†5 %	*15 %	*15 %	*15 %	*15 to 24 %	†35 %
Linen Yarns: Single, unbleached	*1½ to 3 %	Free	Free	*9 %	*3 %	*1½ %	†40%
Linen Cloth: Unbleached, Packing-cloth	*5 to 10 %	Sailcloth Free	†10 %	*3 %	*7 %	*3 %	†35 to 40 %
Unbleached, other		Other †5 %		*10 to 14 %	*10 %	*7 to 10 %	
Woollen Yarns: Single, unbleached.	*1 %	Free	*2 %	The average appears to be between *4 % and *7 %	*7 %	*½ to 2 %	‡80 %
Woollen Cloth: Plain, unprinted	*15 %	†5 %	†10 %	†10 %	*12 %	*10 to 15 %	‡75 %
Porcelain: White	*9%	†5 %	†10 %	†10 %	*7 %	*7 %	†45 %
Glass and Glasswares: Common Bottles	*15 %	†5 %	*4 %	*6 %	*12 %	*15 %	†35 %
Window-glass, common	*18 %		†10 %	*9 %	*18 %	*20 %	*50 to 70 %
Plate Glass, polished	*16 %			*13 %	*10 %	*10 %	Smaller sizes *20 to 25 % larger sizes *65 to 110 %

* Estimated rate on average price in the United Kingdom. † Tariff rate on market value at port of import. ‡ Partly estimated.

TABLE XIV. (*continued*).

ARTICLES.	A.—FOREIGN COUNTRIES (*continued*).						
	Germany.	Holland.	Belgium.	France.	Italy.	Austria.	United States.
	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.
Iron:							
Pig	*15 %	Free	*7 %	*25 %	Free	*15 %	*45 %
Bar	*16 %		*5 %	*30 %	*25 %	*32 %	*60 % and 90 % according to size
Rails for Railways	*17 %		*5 %	*33 %	*17 %	*35 %	*45 %
Steel Rails				*50 %			Partly steel, *65 % Pure steel, *80 %
Copper:							
Ingots, cakes or slabs	Free	Free	Free	Free	*2½ %	Free	*34 %
Hammered in Bars	*8 %		*5 %	*5 %	*5 %	*10 %	*30 %
Tanned Leather (unwrought):							
Ox and Cow Hides	*9 %	Free	*4 %	*2½ %	*7 %	*5 %	†15 % to †25 %
Calf Skins							
Alkali:							
Bicarbonate of Soda	*13 %	Free	Free	*17 %	*2 %	*30 %	*70 %
Crystals of Soda	*23 %			*23 %	Not specified	Not specified	Not specified
Caustic Soda	*20 %			*26 %	*Pure 20 %	*40 %	*70 %
Paper:							
For Writing	*9 %	†5 %	*3 %	*5½ % and 10 % additional excise duty.	*7 %	*5½ %	†35 %
For Printing	*14 %		*4 %	*9 %	*11 %		†20 % or 25 % according as unsized or sized
Seed Oils:							
Linseed	*8 %	*3½ %	Free	*9 %	*9 %	*6 %	*72 %
Rape	*7 %			*8 %	*8 %	*5 %	*48 %
Coals:	Free	Free	Free	*10 %	Free	Free	Anthracite, Free Bituminous, *33 %
Beer or Ale:							
In Casks	*10 %	*12 %	*12½ %	*11 %	*3½ % and 20 % additional excise duty.	*15 %	*55 %
In Bottles			*14 %		*7 %	*40 %	*95 %

* Estimated rate on average price in the United Kingdom. † Tariff rate on market value at port of import.

TABLE XIV. (*continued*).

Return of the estimated or actual ad valorem *Rates of Import Duty levied in the principal European Countries, in the United States, and in the principal Colonial Possessions of the United Kingdom on the undermentioned Articles of British Produce or Manufacture.*

ARTICLES.	B.—COLONIAL POSSESSIONS OF THE UNITED KINGDOM.								
	New South Wales.	Victoria.	South Australia.	Western Australia.	Tasmania.	New Zealand.	Queensland.	Canada.	Cape of Good Hope.
	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.
Cotton Yarns: Single, unbleached.	*1¾ %	*10 %	*2½ %	‡12½ %	†10 %	*4 %	‡5 %	‡20 to ‖25 %	†10 %
Cotton Cloth: Unbleached (average quality)	Free	Free	Free	‡12½ %	†10 %	Free by Law of 24 Sept., 1881	‡5 %	‖16 %	†10 %
Linen Yarns: Single, unbleached.	*1¼ %	*8 %	*2 %	‡12½ %	†10 %	*3½ %	‡5 %	‡20 %	†10 %
Linen Cloth: Unbleached, Packing-cloth.	Free	Free	Free	‡12½ %	Sailcloth Free Other †10 %	Sailcloth Free Other 15 %	‡5 %	Sailcloth ‡25 % Other ‡20 %	†10 %
Linen Cloth: Other									
Woollen Yarns: Single, unbleached.	*½ %	*3 %	*1 %	‡12½ %	†10 %	*1½ %	‡5 %	‖30 %	†10 %
Woollen Cloth: Plain, unprinted	Free	†7½ to 15 %	†5 %	‡12½ %	†10 %	15 %	‡5 %	‖30 %	†10 %
Porcelain: White	Free	—	†10 %	‡12½ %	†10 %	15 %	‡5 %	‡25 %	†10 %
Glass and Glasswares: Common Bottles	Free	—	†10 %	‡12½ %	Free	Free	‡5 %	‡20 %	†10 %
Window-glass, common		Free			†10 %	—			
Plate Glass, polished						15 %			
Iron: Pig	Free	Free	Free	‡10 %	Free	Free	Free	*13 %	†10 %
Bar	Free	Free	Free	‡10 %	†10 %	Free	‡5 %	‡17½ %	
Rails for Railways								‡15 %	
Steel Rails								Free to 1883	

* Estimated rate on average price in the United Kingdom.
‡ Tariff rate on average price in the United Kingdom.
† Tariff rate on average price in United Kingdom, plus about 10 %.
‖ Partly estimated.

TABLE XIV. (*continued*).

ARTICLES.	B.—COLONIAL POSSESSIONS OF THE UNITED KINGDOM (*continued*).								
	New South Wales.	Victoria.	South Australia.	Western Australia.	Tasman'a.	New Zealand.	Queensland.	Canada.	Cape of Good Hope.
	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.	Ad val.
Copper:									
Ingots, cakes, or slabs	Free	†25 %	Free	‡10 to ‡12½ %	Free	Free	‡5 %	‡10 %	†10 %
Hammered in Bars									
Tanned Leather (unwrought):									
Ox and Cow Hides	Free	†20 %	†10 %	‡12½ %	†10 %	*7½ %	‡5 %	‡10 %	†10 %
Calf Skins		†7½ %						‡15 to 20 %	
Alkali:									
Bicarbonate of Soda	Free	Free	*10 %	‡12½ %	*47 %	*10 %	Not specified	‡20 %	†10 %
Crystals of Soda	*30 %	*60 %	*30 %	*15 %	*70 %	*30 %	*30 %		
Caustic Soda	Free	Free	Free	‡12½ %	Free	Free	Not specified	Free	
Paper:									
For Writing	*17 %	*33 %	†10 %	‡12½ %	†10 %	Uncut, Free; Cut, 15 %	‡5 %	‡20 %	†10 %
For Printing	Free	Free	Free	‡10 %		Free			
Seed Oils:									
Linseed	*24 %	Free	*24 %	‡12½ %	*48 %	*24 %	*24 %	‡25 %	*24 %
Rape	*21 %		*21 %		*42 %	*21 %	‡5 %	‡20 %	*21 %
Coals:	Free	Free	Free	Free	*10 %	Free	*15 %	Anthracite, *23 %; Bituminous, *28 %	*8 %
Beer or Ale:									
In Casks	*27 %	*40 %	*40 %	*55 %	*40 %	*68 %	*40 %	*23 %	*18 %
In Bottles	*40 %				*68 %	*80 %	*55 %	*40 %	

* Estimated rate on average price in the United Kingdom. † Tariff rate on average price in United Kingdom, plus about 10 %
‡ Tariff rate on average price in the United Kingdom.

TABLE XV.

Statement showing in what Proportion, according to value, the principal Articles of Food, except Fruit, were imported into the United Kingdom from Foreign Countries and British Possessions in the Year 1880; *with the Total Values of such Articles Imported from all Foreign Countries and British Possessions respectively; in thousands of pounds,* i.e., 100 = 100,000.

PRINCIPAL ARTICLES.	A.—FOREIGN COUNTRIES.												
	Russia.	Sweden.	Denmark	Germany.	Holland.	Belgium.	France.	Spain.	Portugal.	Roumania	China.	Foreign West India Islands.	United States.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Animals, living:													
Oxen, Bulls, Cows, and Calves	—	2·3	15·2	7·0	3·4	—	0·5	5·4	4·9	—	—	—	47·2
Sheep and Lambs	—	0·6	7·8	36·6	39·0	1·0	—	—	—	—	—	—	7·1
Bacon and Hams	—	—	0·7	10·1	—	—	—	—	—	—	—	—	87·9
Butter	0·5	3·4	14·6	5·2	33·6	2·5	23·3	—	—	—	—	—	11·1
Cheese	—	—	—	—	15·9	—	1·0	—	—	—	—	—	67·0
Cocoa	—	—	—	2·9	6·3	0·2	8·4	—	0·8	—	—	2·1	1·4
Coffee*	—	—	—	0·5	1·1	0·4	0·8	—	0·2	—	—	1·4	2·4
Corn, Grain, and Flour:													
Wheat	5·1	—	—	3·2	—	—	—	—	—	0·2	—	—	65·9
Barley	10·4	4·5	20·7	26·0	1·3	—	10·4	—	—	15·9	—	—	3·4
Oats	54·0	30·9	2·7	0·9	1·5	—	—	—	—	—	—	—	0·4
Maize	2·5	—	—	—	—	—	—	—	—	5·0	—	—	83·2
Wheat-meal and Flour	0·8	—	3·0	9·8	—	—	2·8	—	—	—	—	—	62·4
Eggs	—	—	5·3	17·1	3·3	13·2	57·0	1·3	0·3	—	—	—	—
Meat of all kinds (salted, fresh, or preserved)	—	—	0·5	1·1	4·7	3·0	0·4	—	—	—	—	—	81·0
Potatoes	—	—	—	60·3	4·6	1·4	16·8	—	1·3	—	—	—	0·3
Rice	—	—	—	2·1	1·8	—	—	—	—	—	—	—	—
Spices of all sorts, including Pepper	—	—	—	0·3	3·0	—	—	—	—	—	11·4	—	—
Spirits of all sorts	—	—	0·2	3·0	5·3	—	64·5	—	—	—	—	1·0	0·5
Sugar, refined	—	—	—	7·7	28·8	3·5	52·8	—	—	—	—	—	3·6
Sugar, unrefined	—	—	—	25·6	1·2	2·9	0·8	—	—	—	1·6	4·5	—
Tea	—	—	—	—	1·0	—	—	—	—	—	71·9	—	0·2
Tobacco, manufactured and unmanufacturd	—	—	—	3·0	9·4	1·2	1·0	—	—	—	2·6	27·4	47·0
Wine of all sorts	—	—	—	1·0	5·4	0·2	50·8	22·9	16·0	—	—	—	—

* Only about one-fifth of the Coffee imported is retained for consumption.

TABLE [illegible] (continued).

PRINCIPAL ARTICLES.	A.—FOREIGN COUNTRIES, (continued).			B.—BRITISH POSSESSIONS.							TOTAL.	
	Other Foreign Countries.	Total Foreign Countries.		British India.	Australia.	British West Indies & British Guiana.	British North America.	Other British Possessions.	Total British Possessions.		Amount.	Per cent.
		Amount.	Per cent. of total.						Amount.	Per cent. of total.		
	Per cent.	£		Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	£		£	
Animals, living:												
Oxen, Bulls, Cows, and Calves	0·3	6,717	86·2	—	—	—	13·2	0·6	1,077	13·8	7,794	100
Sheep and Lambs	0·3	2,094	92·4	—	—	—	7·6	—	172	7·6	2,266	100
Bacon and Hams	0·1	10,853	98·8	—	—	—	1·2	—	133	1·2	10,986	100
Butter	1·0	11,561	95·2	—	0·1	—	4·6	0·1	580	4·8	12,141	100
Cheese	1·0	4,325	84·9	—	—	—	15·1	—	767	15·1	5,092	100
Cocoa	29·9	493	52·0	—	—	48·0	—	—	454	48·0	947	100
Coffee*	31·0	2,598	37·8	16·6	—	4·9	—	40·7	4,263	62·2	6,861*	100
Corn, Grain, and Flour:												
Wheat	5·3	24,409	79·7	5·7	7·8	—	6·8	—	6,213	20·3	30,622	100
Barley	6·3	4,958	98·9	—	1·1	—	—	—	53	1·1	5,011	100
Oats	1·3	4,527	91·7	—	2·9	—	5·4	—	408	8·3	4,935	100
Maize	0·6	10,193	91·3	—	—	—	8·7	—	970	8·7	11,163	100
Wheat-meal and Flour	14·1	8,085	92·9	—	2·5	—	4·6	—	621	7·1	8,706	100
Eggs	0·2	2,183	97·7	—	—	—	—	2·3	52	2·3	2,235	100
Meat of all kinds (salted, fresh, or preserved)	2·6	5,078	93·3	—	6·1	—	0·6	—	366	6·7	5,444	100
Potatoes	0·3	2,419	85·0	—	—	—	1·1	13·9	428	15·0	2,847	100
Rice	12·6	621	16·5	83·5	—	—	—	—	3,134	83·5	3,755	100
Spices of all sorts, including Pepper	6·7	270	21·4	16·1	—	10·5	—	52·0†	992	78·6	1,262	100
Spirits of all sorts	1·4	1,591	75·9	—	0·1	23·8	—	0·2	505	24·1	2,096	100
Sugar, refined	3·6	4,437	100·0	—	—	—	—	—	—	—	4,437	100
Sugar, unrefined	‡34·8	13,173	71·4	2·0	—	24·5	—	2·1	5,285	28·6	18,458	100
Tea	0·2	8,516	73·3	26·5	—	—	—	0·2	3,097	26·7	11,613	100
Tobacco, manufactured and unmanufactured	6·3	2,818	97·9	1·3	—	0·4	—	0·4	59	2·1	2,877	100
Wine of all sorts	2·7	6,402	99·0	0·1	0·2	—	—	0·7	64	1·0	6,466	100
Total	..	138,321							29,693		168,014	

* Only about one-fifth of the coffee imported is retained for consumption.
† 30·5 per cent. of the total value of spices imported came from the Straits Settlements.
‡ 26·4 per cent. of the total value of the unrefined sugar imported came from Java, Peru, and Brazil.

TABLE XVI.

Statement showing the Proportion per cent. of the Total Value of the Articles of Food named in Table XV. imported into the United Kingdom from Foreign Countries and British Possessions, for the Year 1880.

Countries.	Per Centage of Total.
A.—*Foreign Countries.*	
Russia	3·1
Sweden	1·4
Denmark	2·9
Germany	8·3
Holland	5·5
Belgium	1·0
France	7·6
Spain	1·1
Portugal	0·9
Roumania	0·8
China	5·3
Foreign West India Islands	1·0
United States	35·4
Other Foreign Countries	8·1
Total of Foreign Countries	82·4
B.—*British Possessions.*	
British India	5·8
Australia	1·9
British West Indies and British Guiana	3·5
British North America	3·8
Other British Possessions	2·6
Total of British Possessions	17·6
Total of Foreign Countries and British Possessions	100

TABLE XVII.

Statement showing the Value of the Exports of British and Irish Produce in each of the Years 1870 *and* 1880, *classified as Articles of Food, Raw Materials, and Manufactured Goods; in thousands of pounds*, i.e., 100 = 100,000.

Articles Exported.	1870.	1880.
(*a*) Articles of Food:—	£	£
Animals, living:		
Oxen, bulls, cows, and calves	41	60
Sheep and lambs	26	35
Swine	2	3
Beer and ale	1,882	1,734
Biscuit and bread	436	583
Butter	316	202
Cheese	110	51
Corn, grain, meal, and flour:		
Wheat	544	348
Malt	242	162
Oats	160	99
Other kinds of grain	30	24
Wheat-meal and flour	163	74
Other kinds of meal and flour	6	12
Fish, fresh and cured:		
Salmon	45	42
Cod and ling	44	44
Herrings	723	1,422
Oysters	30	45
Pilchards	30	47
Unenumerated	44	179
Hops	93	53
Pickles, vinegar, and sauces	470	679
Provisions, unenumerated	926	1,035
Spirits, British and Irish	183	544
Sugar, refined and candy	934	1,127
,, molasses, treacle, and syrup	35	186
Tobacco and snuff, manufactured in the United Kingdom:		
Snuff..	58	7
Other kinds of manufactured tobacco	31	25
Wine, British made	3	3
Total	7,607	8,825
(*b*) Raw Materials:—		
Clay, unmanufactured	98	163
Coals, cinders, &c.:		
Coals	5,290	7,837
Coke and cinders	224	338
Products of coal, peat, or shale, including naphtha, paraffine and oil thereof, and petroleum, pitch, and tar	331	492

TABLE XVII. (*continued*).

Articles Exported.	1870.	1880.
(*b*) Raw Materials (*continued*) :—	£	£
Copper, ore	1	8
,, unwrought, in ingots, cakes, or slabs ..	796	1,054
Flax, dressed and undressed	93	98
Grease, not otherwise described	73	285
Hemp, British dressed	90	13
Hides, raw	77	194
Iron:		
Ore	1	27
Old, for re-manufacture	502	1,165
Pig and puddled	2,229	5,219
Lead, ore	2	4
,, pig	760	357
Plumbago	8	9
Rags (except woollen), and other materials for making paper	390	673
Seeds of all sorts	137	231
Skins and furs:		
Sheep and lambs, undressed (without the wool)..	257	715
Foreign, dressed in the United Kingdom ..	164	673
Unenumerated	130	256
Steel, cast in ingots	12	187
Tin, unwrought	633	399
Wood and timber, rough-hewn, sawn, or split ..	43	55
Wool, sheep and lambs, British	581	1,187
,, not being sheep and lambs, including foreign (dressed in the United Kingdom), and flocks and rag-wool	166	547
Zinc or spelter, ore	4	2
,, ,, crude, in cakes	84	94
Other articles, unmanufactured	568	990
Total	13,744	23,272
(*c*) Manufactured Goods :—		
Alkali	1,486	2,398
Apparel and slops	2,205	3,212
Arms, ammunition, &c.:		
Shot of iron, including shells	9	41
Gunpowder	427	373
Percussion caps	54	73
Ordnance stores and ammunition, unenumerated	485	530
Cannon and mortars	106	92
Muskets	98	61
Rifles..	655	95
Fowling pieces	95	133
Revolvers	18	16

TABLE XVII. (*continued*).

Articles Exported.	1870.	1880.
(*c*) Manufactured Goods (*continued*):—	£	£
Arms, ammunition, &c. (*continued*):		
Other firearms	6	2
Parts of firearms	8	39
Swords, cutlasses, bayonets, and other arms, not being firearms	14	4
Bags and sacks, empty	914	1,452
Bleaching materials	177	442
Books, printed	631	970
Brass, manufactures of	247	323
Candles of all sorts	133	143
Caoutchouc manufactures	693	834
Carriages, carts, &c.:		
Railway carriages	88	76
,, waggons, trucks, &c.	388	215
Cement	366	693
Chemical products or preparations, unenumerated ..	1,043	2,384
Clay, manufactures thereof	176	191
Clocks, watches, and parts thereof	146	157
Coal, cinders, &c.:		
Fuel, manufactured	124	197
Copper, wrought or manufactured:		
Coin	23	8
Mixed, or yellow metal for sheathing	796	1,022
Unenumerated	1,205	1,250
Cordage cables, and ropes of hemp or like material	354	296
Cotton twist and yarn	14,671	11,902
Cotton Manufactures:		
Piece goods, plain	33,831	34,755
,, ,, printed	18,137	22,377
,, ,, of mixed materials	339	546
Lace and patent net	839	1,974
Hosiery, stockings and socks	293	402
,, of other sorts	520	541
Thread for sewing	1,208	2,073
Other manufactures, unenumerated	1,578	994
Earthen and china ware:		
Red pottery and brown stone ware	56	87
Earthenware, china ware, parian, and porcelain	1,637	1,978
Furniture (household), cabinet and upholstery wares	231	481
Glass:		
Plate, rough or silvered (including looking-glasses and mirrors)	145	193
Flint, plain, cut, or ornamental (including bottles and phials of flint glass) ..	254	249
Common bottles	307	333
Other manufactures, unenumerated	127	147

TABLE XVII. (*continued*).

Articles Exported.	1870.	1880.
(*c*) Manufactured Goods (*continued*):—	£	£
Haberdashery and millinery (including embroidery and needlework)	4,813	3,875
Hardware and cutlery, unenumerated	3,812	3,521
Hats of felt	344	558
,, straw	142	395
,, other sorts	41	53
Implements and tools:		
Agricultural	249	263
Unenumerated	77	115
Iron:		
Bar	2,252	1,907
Angle	62	76
Bolt and rod	301	393
Railroad:		
Rails and tie rods	7,136	4,212
Wheels and axles	638	276
Unenumerated	982	584
Wire of iron or steel (except telegraph)	366	828
Sheets, and boiler and armour plates	977	1,229
Galvanised, other than wire	454	1,361
Hoops	688	793
Tin plates	2,363	4,458
Anchors, grapnels, chains, and cables	382	265
Tubes and pipes, wrought	324	452
Nails, screws, and rivets	332	374
Cast or wrought and all other manufactures, unenumerated	2,369	2,700
Steel, bar, of all kinds	985	987
,, sheets	107	96
Manufactures of steel, or of steel and iron combined	575	827
Lead, rolled and sheet, piping and tubing	186	226
Leather, tanned, unwrought	850	1,153
,, wrought, boots and shoes	1,148	1,282
,, ,, other articles, unenumerated ..	300	375
Linen and jute yarn	2,434	1,212
Linen and jute manufactures:		
Linen piece goods, plain, unbleached or bleached	5,983	4,819
,, ,, checked, printed, or dyed, and damasks and diapers	421	150
Sailcloth and sails	193	166
Thread for sewing	283	372
Linen manufactures, unenumerated	369	328
Jute manufactures	790	2,255
Lucifer and vesta matches	169	145
Machinery and millwork:		
Steam engines, or parts of, locomotive	810	785

TABLE XVII. (*continued*).

Articles Exported.	1870.	1880.
(*c*) Manufactured Goods (*continued*):—	£	£
Machinery and millwork (*continued*):		
Steam engines, or parts of, other descriptions ..	1,188	2,001
Not being steam engines, agricultural	303	680
,, ,, other descriptions ..	2,993	5,797
Manure, unenumerated	415	1,128
Medicines	615	814
Musical instruments and parts thereof	146	200
Oil, other than essential and medicinal:		
Seed	1,286	1,621
Other sorts, unenumerated	119	351
Oil and floor cloth (including india-rubber cloth) ..	219	383
Painters' colours and materials	877	1,164
Paper:		
Writing or printing, and envelopes	428	856
Hangings	119	138
Pasteboard, millboard, &c. (including playing cards)	19	38
Unenumerated (and articles of paper, except papier mâché)	84	208
Perfumery of all sorts	102	108
Pictures	86	310
Plate, gold and silver	59	67
Plated and gilt wares	131	167
Prints, engravings, drawings, &c.	41	97
Saddlery and harness	327	436
Saltpetre (British prepared)	77	60
Silk, thrown, twist, or yarn	1,154	684
Silk manufactures:		
Of silk only—		
Broad stuffs	510	710
Handkerchiefs, scarfs, and shawls	149	409
Ribbons of all kinds	96	123
Lace	81	110
Unenumerated	299	251
Of silk and other materials—		
Broad stuffs	231	302
Other kinds	85	125
Soap	218	440
Stationery, other than paper	489	724
Stones and slates:		
Slate by tale	141	177
Grindstones, millstones, and other sorts of stone	138	84
Telegraph wires and apparatus	2,523	1,301
Turpentine, oil or spirit of	7	10
Umbrellas and parasols	253	458
Wood and timber, manufactured:		
Staves and empty casks	157	113

TABLE XVII. (*continued*).

Articles Exported.	1870.	1880.
(*c*) Manufactured Goods (*continued*):—	£	£
Wood and Timber, manufactured (*continued*):		
Unenumerated	80	251
Woollen and worsted yarn:		
Woollen yarn (carded)	98	107
Worsted yarn (combed)	4,897	3,238
Woollen and worsted manufactures:		
Broad cloths, coatings, &c., all wool	2,107	2,382
,, ,, of wool mixed with other materials	815	3,077
Narrow cloths, coatings, &c., all wool ..	979	538
,, ,, of wool mixed with other materials	849	739
Worsted stuffs, all wool	2,052	1,029
,, ,, of wool mixed with other materials	11,736	6,213
Blankets and blanketing	645	587
Flannels	366	310
Carpets, not being rugs	1,393	1,134
Shawls	117	158
Rugs, coverlets, or wrappers	151	361
Hosiery	266	320
Small wares and manufactures of wool or worsted, unenumerated	190	418
Yarn, alpaca, mohair, and other sorts, unenumerated	189	878
Zinc or Spelter, manufactures of	57	41
Other Manufactured Goods	3,034	5,917
Total	178,236	190,963

Statement showing the Total Values of the Exports of British and Irish Produce in each of the Years 1870 *and* 1880, *classified as Articles of Food, Raw Materials, and Manufactured Goods; with the percentage Proportion that each Class is of the Total Exports; in thousands of pounds*, i.e., 100 = 100,000.

	1870.		1880.	
	Amount.	Per cent of Total	Amount.	Per cent of Total
	£		£	
Articles of Food, Drink, and Tobacco	7,607	4	8,825	4
Raw Materials	13,744	7	23,272	10
Manufactured Goods	178,236	89	190,963	86
Total Exports of British and *Irish* Produce ..	199,587	100	223,060	100

TABLE XVIII.

Statement showing the Proportion of Food, Raw Materials, and Manufactured Articles in the Domestic Exports of France, for each of the Years 1869 *and* 1879, *compiled from the French official Returns; in thousands of pounds*, i.e., 100 = 100,000.

Articles Exported.	1869.	1879.
(*a*) Articles of Food :—	£	£
Brandy, spirits, and liqueurs	2,457	4,130
Butter and cheese	3,116	2,665
Cattle, &c.	1,351	893
Eggs	1,455	1,304
Farinaceous substances not otherwise specified	805	1,818
Fish	694	1,519
Fruit, for the table	1,086	998
,, oleaginous	621	334
Grain and meal : Wheat, spelt, meslin ...	661	392
Rye	893	301
Other kinds	1,215	1,066
Hops	475	81
Ice	304	221
Meat of all kinds	398	445
Oil, olive	136	200
Salt	86	102
Sugar, raw	602	537
,, refined	3,240	4,033
Syrups, preserves, &c.	174	195
Tobacco, manufactured...	45	70
Truffles	57	298
Vegetables, green, salted, or preserved ...	166	541
Wines of all kinds	13,447	10,308
Other articles of food	533	708
Total of Food	34,017	33,159
(*b*) Raw Materials :—		
Building materials (lime, bricks, slate, &c.) ...	375	504
Cards for carding machines	84	75
Coal and coke	178	273
Cotton, raw	3,016	2,675
Fat, oil	66	252
Feathers	143	1,348
Flax and hemp	364	519
Grease of all kinds	689	1,053
Hair of all kinds	489	454
Hemp fibre	127	123
Hides, raw	971	2,110
Horses, mules, &c.	788	638
Madder	519	22

TABLE XVIII. (*continued*).

Articles Exported.	1869.	1879.
(*b*) Raw Materials (*contin*) :—	£	£
Native resins	228	137
Ores of all kinds	242	120
Pitch and mineral tar	62	110
Rags for paper making... -	440	611
Saffron	176	158
Silk, raw and waste	6,245	6,344
Silkworms' eggs...	199	98
Sowing seed	823	646
Stones, lithographic and other...	178	263
Wood, for building purposes	1,292	869
Wool, raw	1,787	4,689
Other raw materials	2,001	1,119
Total Raw Materials	21,482	25,210
(*c*) Manufactured Articles :—		
Arms and ammunition	164	256
Artificial flowers, &c.	1,240	1,205
Basketwork of all kinds	61	136
Books, stationery, &c.	825	956
Candles	306	81
Caoutchouc manufactures	166	187
Carriages	139	116
Chemical products not otherwise specified ...	1,424	1,500
Clocks and watches	452	627
Colours	489	449
Copper, wrought	346	182
Cutlery	59	105
French fancy wares	211	246
Furniture, and other wood manufactures ...	987	1,203
Garancine (extract of madder)...	557	14
Glass, and glass wares	911	790
Gold and silver wares	954	2,316
Grindstones	142	283
Haberdashery, &c.	6,087	5,429
Hats, of felt	405	405
,, mats, and other manufactures of straw or bark	398	664
Instruments: optical, mathematical, surgical, &c.	163	312
,, musical	406	399
Leather wares	3,966	5,930
Machinery	595	921
Medicines, compounded	619	425
Oil-cake	564	416

TABLE XVIII. (*continued*).

Articles Exported.	1869.	1879.
(*c*) Manufactured Articles (*continued*) :—	£	£
Paper and cardboard	779	886
Perfumery	707	315
Pottery and porcelain	317	516
Quinine, sulphate of	90	224
Skins and hides, dressed	3,242	3,846
Soap, other than scented	421	362
Tartrates...	243	505
Tissues: Cotton...	2,959	2,535
,, Linen, hempen, and jute	733	1,048
,, Silk	17,894	9,070
,, Woollen	10,732	12,371
Umbrellas and parasols	133	136
Tools, and other metal wares	1,510	2,711
Wearing apparel	3,349	2,710
Works of art	436	494
Yarns: Cotton	115	98
,, Linen, hempen, and jute	339	366
,, Woollen	1,112	1,748
Other manufactured articles	2,757	4,022
Total of Manufactured Articles	70,504	69,516

Summary.

—	Amount.		Percentage.	
	1869.	1879.	1869.	1879.
	£	£		
Food	34,017	33,159	27·0	26·0
Raw Materials ...	21,482	25,210	17·0	19·8
Manufactures ...	70,504	69,516	56·0	54·2
Total	126,003	127,885	100	100

TABLE XIX.

Statement showing the Proportion of Food, Raw Materials, and Manufactured Articles in the Domestic Exports of Germany, for each of the Years 1869 and 1879; compiled from the official Returns of Germany; in thousands of marks, i.e., 100 = 100,000.

Articles Exported.	1869.*	1879.
(*a*) Food :—	Marks.	Marks.
Animals, living—		
Cattle	32,800	45,350
Sheep	30,000	37,600
Swine	16,400	24,090
Beer	3,400	23,400
Brandy	20,700	14,800
Butter...	26,800	22,000
Fruit of all kinds	52,000	77,700
Grain—		
Wheat	149,000	127,000
Barley	17,200	40,600
Oats	15,900	15,500
Other grain, and flour	104,200	166,900
Hops	18,200	22,300
Meat	6,600	8,970
Sugar, raw	10,600	58,200
,, refined	4,500	21,390
Syrup and molasses	5,700	10,190
Tobacco, manufactured	11,800	6,760
,, unmanufactured	8,300	1,380
Wine	22,800	21,910
Other articles of food	10,226	12,930
Total of Food ... ... Marks	567,126	758,970
Total of Food ... ... £	28,356*	37,948
(*b*) Raw Materials :—		
Animal produce, &c....	36,500	90,680
Cotton, raw	61,865	65,000
Flax, hemp, and jute	23,208	40,250
Fuel	97,200	84,200
Hides and skins, including leather—		
Cow hides	18,470	22,800
Other kinds	18,034	24,680
Horses	12,745	34,000
Metals, crude—		
Pig iron	12,814	25,610

* The values for 1869 are estimated only.

TABLE XIX. (*continued*).

Articles Exported.	1869.*	1879.
(*b*) Raw Materials (*continued*):—	Marks.	Marks.
Metals, crude (*continued*)—		
Iron and steel, unmanufactured	12,604	64,650
Other raw metals	69,730	60,440
Oil: Petroleum	7,758	4,480
Ores and minerals—		
Iron ore	5,400	20,900
Other kinds	84,480	73,200
Rags for paper-making	500	7,480
Silk, raw	17,630	48,300
Wood of all kinds for further manufacture	115,800	70,500
Wool (sheep's)	74,026	66,440
Soap, oil and resins	40,000	55,720
Other unmanufactured articles	58,896	86,330
Total of Raw Materials ... Marks	767,660	945,660
Total of Raw Materials ... £	38,383*	47,283
(*c*) Manufactured Articles:—		
Books, pamphlets, and other publications...	23,000	22,200
Chemical products, drugs, &c.	48,931	120,780
Dyewoods	1,496	1,800
Gunpowder	811	3,920
Glasswares and earthenware	51,500	55,000
Guano...	2,600	1,890
India-rubber manufactures	18,780	15,000
Iron and steel, manufactures of	31,882	47,400
Leather wares	31,784	51,750
Machinery	21,212	39,010
Manures (except guano)	4,218	22,230
Metal wares	6,104	11,200
Paper and paper-hangings	17,000	26,100
Rails for railways	13,350	23,000
Ships	43,000	32,590
Tissues—		
Cotton	73,945	95,260
Linen and hempen	22,475	13,560
Silk...	86,418	66,690
Woollen	161,502	142,100
Other kinds, and ready-made clothing ...	75,407	98,590
Wood wares and basket work	14,974	43,100
Works of art, ornaments, &c.	74,000	54,900

* The values for 1869 are estimated only.

TABLE XIX. (*continued*).

Articles Exported.		1869.*	1879.
(*c*) Manufactured Articles (*continued*):—		Marks.	Marks.
Yarns—			
Cotton		10,692	24,700
Linen and hempen		5,072	4,700
Woollen		32,292	24,400
Other kinds		62	3,700
Other manufactured articles		4,770	25,450
Total of Manufactures ...	Marks	877,277	1,071,020
	£	43,864*	53,551

Summary.

—	Amount.				Percentage.	
	1869.	1879.	1869.	1879.	1869.	1879.
	Marks.	Marks.	£	£		
Food . . .	567,126	758,970	28,356	37,948	25·6	27·3
Raw Materials	767,660	945,660	38,383	47,283	34·7	34·0
Manufactured Articles .	877,277	1,071,020	43,864	53,551	39·7	38·7
Total. .	2,212,063*	2,775,650	110,603*	138,782	100	100

he values for 1869 are estimated only.

TABLE XX.

Statement showing the Proportion of Food, Raw Materials, and Manufactured Articles in the Domestic Exports of the United States, for each of the Years 1870 *and* 1880. (*Years ended* 30*th June*), *compiled from the official Returns of the United States; in thousands of dollars*, i.e., 100 = 100,000.

Articles Exported.	Years ended 30th June. 1870.†	1880.†
(*a*) Food :—	Dollars.	Dollars.
Animals, living	1,045	15,882
Beer, ale, porter, and cider	26	299
Bread and breadstuffs :		
Indian corn	1,289	53,298
Wheat	47,171	190,546
Wheat flour	21,170	35,333
Other breadstuffs	2,621	8,860
Fruits	543	2,091
Hops	2,516	2,573
Oil, Vegetable	326	3,476
Provisions :		
Bacon and hams	6,123	50,988
Beef, fresh	1,940	7,442
,, salted		2,881
Butter	592	6,691
Cheese	8,881	12,172
Lard	5,933	27,920
Meats, preserved	314	7,877
Pork	3,253	5,930
Other	2,140	5,142
Spirits	726	3,028
Sugar, refined	555	2,718
,, unrefined, and molasses	91	541
Tobacco, and manufactures of	22,705	18,442
Total of Food ... ... Dollars	129,960	464,130
Total of Food ... ... £	21,660*	96,694*
(*b*) Raw Materials :—		
Coal	1,306	2,058
Cotton, raw	227,028	211,536
Furs and furriers' wares	1,941	5,404
Ginseng	455	533
Raw hides and skins	365	649

* In the year 1870 the conversions have been made at the currency rate of 3s. 4d. to the dollar, and in 1880 at the average rate of 4s. 2d.

† *Exclusive of* bullion and specie.

TABLE XX. (*continued*).

Articles Exported.	Years ended 30th June. 1870.†	1880.†
(*b*) Raw Materials (*continued*) :—	Dollars.	Dollars.
Naval stores (resin, turpentine, tar, and pitch)	1,920	2,453
Oil, Mineral	32,669	36,219
,, Animal (fat and fish)	1,148	1,676
Quicksilver	512	1,360
Seeds	98	2,777
Tallow	3,815	7,689
Wool, raw	55	72
All other unmanufactured articles	2,285	2,128
Total of Raw Materials ... Dollars	273,597	274,554
Total of Raw Materials ... £	45,600*	57,199*
(*c*) Manufactured Articles :—		
Agricultural implements	1,069	2,246
Books, pamphlets, and other publications...	341	627
Carriages, railway cars, carts, and parts thereof	977	1,407
Clocks and watches	589	1,453
Copper, and manufactures of	1,042	849
Cotton, manufactures of	3,787	9,981
Drugs, chemicals, medicines, and dye stuffs (including acids)	2,495	3,531
Fancy articles, combs, perfumery, and toilet soap	409	876
Glass and glass wares	531	750
Hemp, and manufactures of, including cordage	582	1,629
Iron and steel, and manufactures of ...	13,483	14,716
Jewellery, and other manufactures of gold and silver	60	232
Leather, and manufactures of	673	6,760
Manures	115	604
Marble and stone, and manufactures of ...	180	653
Metals, and manufactures of, not elsewhere specified	401	971
Musical instruments	267	811
Oilcake	3,419	6,260
Ordnance stores	1,229	777

* *In the year* 1870 the conversions have been made at the currency rate of 3s. 4d. to *the dollar, and in* 1880 at the average rate of 4s. 2d.

† *Exclusive of* bullion and specie.

TABLE XX. (*continued*).

Articles Exported.		Years ended 30th June. 1870.†	1880.†
(*c*) Manufactured Articles (*continued*) :—		Dollars.	Dollars.
Paper and stationery		515	1,183
Soap, common		623	690
Starch		107	448
Turpentine, spirits of		1,357	2,132
Wearing apparel		619	708
Wood, and manufactures of...		13,735	16,237
Wool, manufactures of		124	216
All other manufactured articles		2,922	8,515
Total of Manufactures ...	Dollars	51,651	85,262
	£	8,609*	17,763*

Summary.

—	†Amount.				Percentage.	
	1870.	1880.	1870.	1880.	1870.	1880.
	Dollars.	Dollars.	£*	£*		
Food . . .	129,960	464,130	21,660	96,694	28·6	56·3
Raw Materials .	273,597	274,554	45,600	57,199	60·1	33·3
Manufactured Articles .	51,651	85,262	8,609	17,763	11·3	10·4
Total . .	455,208	823,946	75,869	171,656	100	100

* In the year 1870 the conversions have been made at the currency rate of 3s. 4d. to the dollar, and in 1880 at the average rate of 4s. 2d.

† Exclusive of bullion and specie.

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